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NEWS SUMMARY

GENERAL

Flood alert as gales lash Britain

Flood alert warnings were given yesterday as heavy rain and strong winds lashed many parts of Britain, disrupting ferry services and causing havoc on motorways.

On the Isle of Man, 107 mph gusts were recorded and at a Sunderland shipyard a vessel named by Mrs Thatcher could not be launched because of the high winds.

Times editor to resign—Murdoch

Rupert Murdoch, Times Newspapers' proprietor, said he had reached agreement with Harold Evans on the terms of his resignation from the editorship of The Times. Back Page

Riot at school

Police were called to a Devon comprehensive school after scores of children smashed windows

Pretoria 'link'

Pretoria ministers were involved in the abortive Seychelles coup, according to one of the men alleged to have taken part, a police chief said at the trial.

Trident attacked.

Michael Foot denounced the decision to develop Trident missiles and pledged Labour would do all in its power to stop the nuclear arms race. Page 3

Judge overruled

Retired Old Bailey judge Edward Clark was overruled for the second time this week by appeal judges when they quashed a man's murder conviction.

Coup smashed

Left-wing rulers in the South American repjublic of Surinam said they had smashed an attempted coup and captured rebel leader Wilfred Hawker.

Paisley warning

The Rev Ian Paisley said the Liverpool church demonstration was just the first of a series of protests planned against the Pope's visit to Britain.

Hunting backed

Prince Philip, president of the World Wild Life Fund and recently criticised for stag hunting, defended the sport because, he said, it prevented over population.

New police chief

David East, who was named as Devon and Cornwall's new police chief, vowed to continue the community policing policies pioneered by John Alderson.

Ripper damages

Marilyn Moore who survived an attack by Yorkshire Ripper Peter Sutcliffe was awarded damages which will be assessed later by a High Court judge.

Double trouble

Education officials in Leominster haveasked parents of 28 sets of twins in the town to dress them differently so that puzzled teachers can tell them apart.

BUSINESS

Sterling off 1.15c; gilts fall 0.41

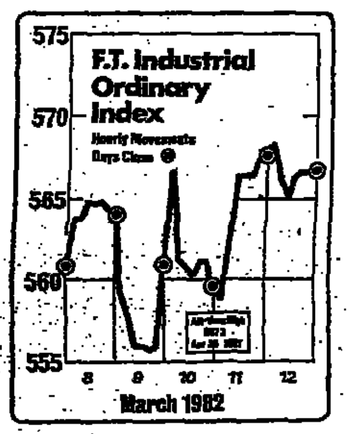
● STERLING closed in London $1.7995, a drop of 1.15 cents on the day. It fell to DM 4.28 (DM 4.2925), SwFr 3.3825 (SwFr 3.3875) and FFr 10.975 (FFr 10.985). Its trade-weighted index fell to 90.1 (90.4). Page 23

● DOLLAR rose to DM 2.377 (DM 2.3685), SwFr 1.879 (SwFr 1.869) and Y239.9 (Y239.25). Its trade-weighted index rose to 113.7 (113.3). Page 23

● GOLD fell $6.75 in London to $323.75. In New York the Comex March close was $317.8. Page 23

● GILTS: the Government Securities Index fell 0.41 to 68.3. Page 24

● EQUITIES: the FT 30-share index closed a point off at 566.9.



Over the Account the index rose 19.6. Page 24

● WALL STREET was 7.33 down at 798.23 near the close. Page 29

● POLAND's 1982 official debt rescheduling will not be discussed by the Reagan Administration until the country's commitments under the 1981 rescheduling agreement have been met, according to U.S. Assistant Treasury Secretary, Mr Marc Leland. Page 2

● JAPANESE economy recorded its first negative growth since 1975 in the last quarter of 1981—a fall of 0.9 per cent from the third quarter. Back Page

● HABITAT is to sell its home goods in Japan in a venture with retailing organisation Seibu. Back Page

● HARVARD SECURITIES, the licensed dealer, wants the Trade Department's revision of rules for dealing extended to include monitoring of dealers' accounts within three months of the accounting period ending. Page 3

● HEALTH SERVICE clerical and ancilliary workers rejected an offer of 4 per cent pay rises. Page 4

● GAS INDUSTRY unions are expected to reject a wage offer worth over 9 per cent. Page 4

COMPANIES

● ROYAL BANK OF CANADA has bought Tennant Guaranty, one of the UK's biggest export finance houses, probably for more than £1m. Back Page

● M. P. KENT, the property developer, offered £15.4m for Federated Land. Page 16

● STANDARD TELEPHONES and Cables increased pre-tax profits to £50.6m (£44.1m) last year. Page 16, Lex Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 2% IL 2006	£101	+ 3
Barclays Bank	485	+ 5
Bulmer (H. P.)	357	+ 10
ESI London	190	+ 15
Edbro	104	+ 5
Esperanza	138	+ 5
Federated Land	146	+ 14
GKN	170	+ 7
Humberside	21	+ 3
Huntley and Palmer	112	+ 8
Jacks (Wm)	22	+ 2
MK Electric	307	+ 12
Newarthill	545	+ 20
Pleasurama	140	[illegible]
Plessey	372	[illegible]
Redland	183	+ 5
Standard Telephones	821	[illegible]
Stanley (A. G.)	67	[illegible]
Tarmac	474	+ 6
Wolseley-Hughes	368	+ 5

FALLS

Treasury 13% 1990	£96¾	− ¼
Cadbury Schweppes	97	− 4
Estates and General	63	− 4
Goodman Brothers	14½	− 2
HTV N/V	138	− 8
Kent (M. P.)	66	− 3
Kode Int	253	− 22
Sotheby P. B.	285	− 22
Stone-Platt	13	− 3
Thorn EMI	427	− 8
[illegible] Gold Fields	360	− 8
[illegible] Plat	192	− 13
Kinross	473	− 23
Leslie [illegible]	89	− 5
[illegible] Reef	£22	− 1½

Building societies cut mortgages to 13½%

BY MICHAEL CASSELL AND WILLIAM HALL

BUILDING SOCIETIES yesterday cut the mortgage rate from 15 per cent to 13½ per cent and sparked a fresh round of competition with the banks for home loan business.

The reduction is the largest single cut on record and will knock 0.4 per cent off the Retail Prices Index.

Within an hour of the announcement, Barclays Bank, the most aggressive of the banks in the mortgage business, had cut its home loan rate to 13½ per cent. Barclays claimed that its method of calculating interest meant its home loans remained marginally cheaper than those of the societies.

The lower rate would take effect from April 1, said the bank.

Mr John Quinton, senior general manager of Barclays, said: "It is clearly unsatisfactory that a 13½ per cent rate quoted by a building society should in fact cost more than our 13½ per cent. Typically, monthly repayments to us on a £10,000, 25 year mortgage will be £117.20 against £117.50 to the building societies.

"We believe the home buyer should be able to compare like with like and strongly support the Office of Fair Trading in their efforts to achieve uniformity."

The confusion over interest rates arises because building societies and some banks calculate interest annually rather than daily on a reducing balance—the method favoured by Barclays.

The OFT is conducting a review into the various ways of calculating interest and will submit a report to Mr John Biffen, the Trade Secretary, shortly.

National Westminster, which calculates interest on the same basis as the societies, kept abreast of the field by cutting 1 per cent off its 14½ per cent home loan rate. The cut tafies effect next Tuesday. New building society mortgages will be cheaper at once, although existing borrowers will have to wait at least one month before repayments are reduced.

The Trustee Savings Banks and the Co-operative Bank, both relatively small operators in the mortgage field, also brought their interest rates into line with the building societies. The rest of the High Street banks are expected to follow next week.

The building societies are cutting their ordinary share rate from 9.75 per cent (equivalent to 13.93 per cent for standard rate taxpayers) to 8.75 per cent (12.5 per cent gross).

Announcing the rate reductions, Mr Alan Cumming, chairman of the Biulding Societies Association, said the mortgage rate decision was "a bold one which would live through another ½ per cent reduction in base rates."

Mr Cumming accepted that the trend of interest rates was downwards and said he would not be surprised to see a further fall in mortgage rates.

In the money markets, the seven-day interbank rate fell below 14 per cent for the first time since mid-Sptember to 13¹³⁄₁₆. But longer-term rates were marginally firmer and hopes of another ½ percentage point cut in base rate are beginning to recede as Euro-dollar rates continued to rise, ending the weke a half point up at 15 per cent.

In the foreign exchange market, sterling slipped below $1.80 for the first time since late Septembr, although its trade weighted index at 90.1 is still 4 per cent up on last September's levels.

In the gilt edged market, prices of long dated stocks shed up to £¾ in some cases and only the prices of the index-linked stocks continued to shine. Since Tuesday's Budget they have registered gains of over 12 points. Meanwhile share prices were slightly lower with the FT

Advance (25 years)	Gross monthly repayments			
	Bank		Building society	
	15%	13½%	15%	13½%
£15,000	£189.50	£175.80	£193.50	£176.25
£25,000	£316.50	£293.00	£322.50	£293.75
£40,000	£506.40	£468.80	£516.00	£470.00

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Mortgage interest rate table, Page 3

Building Societies: Why squeeze is getting tighter, Page 14

Vauxhall Motors reduces net loss to £57.4m

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

VAUXHALL MOTORS, General Motors' UK subsidiary, cut its net loss last year from the record £83.3m in 1980 to £57.4m.

Boosted by increased car sales in the last three months of 1981 Vauxhall recorded a £2.5m profit in the second half.

Mr John Fleming, the new chairman, said last night the company still expected an operating profit in 1982 followed by a net profit next year.

Vauxhall made a net profit once only in the past 12 years, £2m in 1978. In 1980 General Motors pumped in a life-restorin £107m of capital but last year its contribution was the relatively modest cancellation of a £15m debt.

The 1981 loss was financed mainly by a reduction in stocks, according to Vauxhall.

Capital expenditure increased from £31.8m in 1980 to £32.7m. A property revaluation by Jones Lang Wootton threw up a surplus of £141m. As a result, depreciation charges jumped from £7.5m in 1980 to £18.9m.

VAUXHALL RESULTS (£m)	1981	1980
Net sales	761.7	766.8
Net loss	57.4	83.3
Vehicle sales (units)	183,319	195,145
Employees	21,000	29,200

Mr Fleming said it had been a difficult year for Vauxhall because of depressed market conditions. Turnover fell to £761.7m, from £766.8m in 1980 and the peak £819.5m of 1979.

Vehicle sales were 183,319 (including 134,814 cars and 48,505 commercial vehicles), down from 195,145.

The workforce was cut in 1981 by 8,200, or 28 per cent, to just under 21,000. Mr Fleming said yesterday, however, that if the company maintained the progress it had made over the past two years he did not expect any need for further cuts in the workforce or in operations.

Mr Fleming said 1981 was a year of good co-operation from the Vauxhall workforce. Productivity improved at all plants. "There appears to be a real understanding throughout the company of the need to improve competitiveness," he said.

Vauxhall's car market share last year fell slightly, to 8.5 per cent, but in the final quarter the new front-wheel drive Cavalier was launched and assembly of the Astra started at the Ellesmere Port plant, Merseyside.

The Cavalier, particularly, helped push Vauxhall's market penetration into double figures from November. Sales were helped also by merging the dealer network with that of the sister company, Opel of Germany.

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Talbot strike continues, Page 4

Nabisco and Huntley in talks

BY RAY MAUGHAN

SENIOR EXECUTIVES of the New York-based cereals and biscuits group, Nabisco Brands, arrived in London yesterday to start talks with the board of Huntley and Palmer Foods. A joint statement from the two companies said the talks "may or may not" lead to a counter to the unwanted £76m bid launched by Rowntree Mackintosh for Huntley two months ago.

Shares in Huntley climbed 8p to 112p. For the first time in several days, they now stand at above Rowntree's cash and equity terms which are currently worth 106p per share.

The Huntley board, headed by Mr Gordon Palmer, has again advised shareholders to take no action on the Rowntree offer, and said it will make a further announcement as soon as possible.

Nabisco has been rumoured frequently as a possible counter bidder although it is understood that Huntley initiated the current round of "exploratory discussions." Nabisco has acquired 350,000 Huntley shares since Rowntree, with a 23.5 per cent holding, started the formal bidding.

The American group is the product of the merger last year of Standard Brands and Nabisco. Its net earnings in 1981 amounted to $266.3m (£147m). Its net assets are about $1.4bn. Principal brands in the UK markets are Planters Peanuts, Walkers Crisps, Ritz Biscuits and Shredded Wheat.

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£ in New York

—	Mar. 11	previous
Spot	$1.8000-8020	$1.8130-8150
1 month	0.18-0.23 pm	0.18-0.23 pm
3 months	0.67-0.72 pm	0.66-0.71 pm
12 months	2.56-2.66 pm	2.46-2.65 pm

FT/MARPLAN POLL OF DIRECTORS

Budget rated as 'fairly good'

BY MALCOLM RUTHERFORD, POLITICAL EDITOR

THE GOVERNMENT has reason to be pleased with the intial response to the Budget from the business community, according to a Financial Times poll conducted by Marplan.

Of 500 senior directors of large companies questioned, 77 per cent think the Budget will be "fairly good for the economy," though only 5 per cent think that it will be "very good."

Just over 10 per cent think that it will be "not very good."

The poll also shows, however, that the prospects for reducing unemployment are not very bright. There are expectations of a fairly sharp rise in investment and an even bigger rise in output, but it is thought that much of this will take place without increases in the work force.

The directors were asked a series of questions about their company's approach to employment, investment and output in the next year or so.

A total of 41 per cent expected to increase investment and 58 per cent to increase output, but only 25 per cent expected to increase the pay roll.

Are you likely to be increasing employment / investment / output, cutting it, or maintaining present levels within the next year or so?

	Employment %	Investment %	Output %
Increasing	25	41	58
Maintaining present levels	54	49	28
Cutting back	17	6	4

Against this, only 6 per cent expected to cut investment and only 4 per cent to cut output. But 17 per cent expected to cut employment.

There is also evidence that a majority of respondents expect wage costs to rise more slowly and that the rate of inflation will come down.

The directors were asked whether they expected their company's wage bill per head to increase more or less in the coming year than in the last 12 months.

In all 44 per cent said that it would increase less. In manufacturing industry the figure rose to 51 per cent.

Of the total 33 per cent said that they expected wage costs to increase more.

Half those polled thought the Budget would reduce inflation. Nearly 20 per cent said it would increase it.

Asked whether they expected sterling to be stronger or weaker in 12 months' time, 42 per cent expected the pound to fall and 35 per cent expected it to be stronger.

There was also a question about which single change in the Government's economic policy they would most like to see.

Lower interest rates emerged at the top of the list with 16 per cent. A further cut in the National Insurance Surcharge, attracted 11 per cent of the respondents, with 10 per cent going both for a reduction in taxation and putting more money into industry.

Only 6 per cent of those polled suggested that they would like to see the Government giving top priority in its economic policy to reducing unemployment, and only 5 per cent opted for an increase in public spending.

What single change in the Government's economic policy would you most like to see?

Lower interest rates	16%
Lower National Insurance Surcharge	11%
Reduce tax	10%
Put more money into industry	10%
More control on public spending	8%
Reduce unemployment	6%
Increase public spending	5%

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Budget effects, Pages 7 and 8

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Wholesale prices fall in U.S.

By Reginald Dale, U.S. Editor, in Washington

U.S. WHOLESALE prices fell by 0.1 per cent in February. This is the first time in six years that the index has gone down and provides fresh evidence of the declining pace of inflation.

Mr Murray Weidenbaum, chairman of President Reagan's Council of Economic Advisers, said the figure, taken with other recent price reports, showed [illegible] that there was "a pervasive slowdown in the rate of inflation."

The Labour Department said that a large [illegible] per cent fall in energy prices and a decline in car prices more than offset an 0.5 per cent rise in food costs. The 0.1 per cent overall decline compared with increases of [illegible] 0.4 per cent in each of the preceding three months.

Year-on-year, [illegible] in February stood [illegible] per cent higher than in February [illegible] when the [illegible] was 10.8 per cent. Over the whole of last year, wholesale prices rose by [illegible] per cent, following increases of [illegible] per cent in 1980 and [illegible] per cent in 1979.

The White House [illegible] the figure as [illegible] and said that inflation had come down faster than the Administration had thought.

Officials were cautious, however, not to claim too much credit for the development at a time when the Administration does not want to accept responsibility also for the current recession.

Meanwhile, Mr Donald Regan, the Treasury Secretary, said he personally supported "over time," a constitutional amendment requiring a balanced Federal budget. Such an amendment, sponsored by Conservative Republican Senator Orrin Hatch of Utah, was approved in the Senate Judiciary Committee last May and will probably be voted on by the full Senate in the next two months.

It is unlikely, however, to win the two-thirds approval of both Houses that is required, owing to Democratic opposition. If it were to pass Congress, it could take up to seven years for ratification by three-fourths of the states.

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OVERSEAS NEWS

Sig Spadolini

Setback for Italian Cabinet over ENI

By Rupert Cornwell in Rome

THE PROBLEMS of ENI—and those of the Italian Government led by Sig Giovanni Spadolini—mounted yesterday as the Cabinet failed to appoint a special commissioner to replace Sig Alberto Grandi at the head of the state energy agency.

The setback appears to stem from the refusal of Sig Enrico Gandolfi, currently president of Saipem, the pipeline subsidiary of ENI, to accept the offer of *the job.*

On Thursday night, it was being put about that Sig Gandolfi, a highly-respected and experienced figure with 24 years' service at ENI, would be the commissioner at the group, while a new system of management of the state agency, the fourth largest non-U.S. corporation in the West, was put in place.

Yesterday, however, Ministers declared only the Cabinet's endorsement of the principle of a commissioner. The Prime Minister has given himself a few days to "study further" the issue, which increasingly threatens the stability of his eight-month-old coalition.

The dispute over ENI—it has had six presidents and one special commissioner in the past 20 years—stems from the insistence of the Socialist Party that ENI should be headed by one of their own men.

Sig Giorgio Mazzanti, the last Socialist president, lost his job in December 1979.

Sig Grandi himself, *identified* with the Christian Democrats, has held the post only 22 months, with more than a year of his three-year mandate to run.

His immediate predecessor, Sig Egidio Egidi, a manager of comparable background to Sig Gandolfi, resigned after less than a fortnight in 1980, because of political interven*tion.*

Although all five coalition parties were apparently agreed on the choice of Sig Gandolfi, deep splits have arisen over the line being taken by Sig Gianni de Michelis, the Socialist Minister for State Participation. The new management structure he envisages is widely seen as tailored to expand the intervention powers of the Minister.

For the Prime Minister, the tensions over ENI have become entangled with other problems, which together represent probably the greatest challenge to his ability to achieve compromise since his administration took office last June.

He has been forced to call a confidence vote on new housing legislation in order to secure its passage. The coalition parties are also at odds over legislation inducing terrorist suspects to collaborate with the police.

Pinochet orders spending cuts

Chile's President Augusto Pinochet said yesterday that he has ordered public spending cuts, and measures to increase tax revenue, in order to reduce the Government's budget deficit, Reuter reports *from* Santiago. Chile's right-wing military Government will not alter its present political, economic and social policies to deal with the current situation, he adde.

He was "ignoring" calls by businessmen, farmers and opposition critics for devaluation and a modification of the Government's free-trade policy.

U.S. 'supplying aid to Nicaragua business'

The U.S. is quietly providing $7.4m (£4.1m) in assistance to non-Marxist business, labour and other groups in Nicaragua, to ensure the survival of democratic pluralism in that country, the U.S. State Department said yesterday AP reports from Washington.

The assistance was continued with the knowledge of Nicaraguan authorities, even though government-to-government aid was suspended last April

Russians put off Denmark visit

The Sovit Union has put off a planned visit by a team of negotiators to two Danish shipyards, where *they* were *to* discuss orders for vessels worth about DKr 1.5bn (£104m), Hilary Barnes reports from Copenhagen.

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U.S. takes tough line on rescheduling Polish debt

BY ALAN FRIEDMAN

THE Reagan Administration will not discuss the rescheduling of Poland's 1982 official debt *until its commitments under the* 1981 debt rescheduling agreement have been satisfied, according to Mr Marc Leland, U.S. Assistant Treasury Secretary for international affairs.

Mr Leland told a conference on banking in London yesterday that Western governments had received less than half of the principal and interest owed under the 1981 rescheduling agreement. *This is 10 per cent* of the 1981 principal and interest of around $2.5bn (£1.3bn).

Mr Leland said that one of the major considerations which *would make it reasonable for* Western governments to reschedule Poland's debt this year would be a sizable flow of funds from Poland to the West. He said much would depend on *"how much one is being paid* back."

The U.S. decision not to declare Poland in default had kept pressure on the country to repay interest it owed, he added. *If funds were to stop coming* in, then the matter of default would need to be reconsidered.

Mr Leland went on to say the West had over-extended credits to the Soviet Union from both an economic and political point of view.

He arrived in Europe yesterday on the start of a week-long mission to discuss the question of Eastern European debt and is understood to have visited the British Treasury in the afternoon.

In his speech, Mr Leland responded to charges that the Reagan Administrations is a "reluctant supporter" of multilateral development banks such as the World Bank. "It is very untrue. Our support for the banks is still very much there."

The Reagan Administration had to work with a number of Congressional critics, he explained. Support for multilateral banks in the Congress was "minimal."

The Reagan goal was to "try and channel more private support for developing countries." Mr Leland called for more co-financing between multilateral banks and private banks

Andrew Whitley adds from Rio de Janeiro: Poland and Brazil are nearing an agreement on the rescheduling of $400m debt payments which will allow deliveries of badly-needed food and animal feed supplies to continue.

Two weeks of difficult talks in Brasilia with a visiting Polish delegation headed by the deputy Minister of Foreign Trade, Mr Anton Karas, were due to end yesterday evening.

A senior Brazilian official said yesterday that Poland had accepted in principle the three condtiions laid down by Brazil. These are the payment of all *interest* and 10 per cent of the capital repayments falling due in 1982, and the maintenance of an overall debt ceiling of $1.5bn, the present level of "exposure."

Difficulties have arisen in reconciling the purchases on Brazilian Government credit Poland wants to make this year with its ability to make only limited repayments at staggered intervals, without breaching the set ceiling.

Brazil, which is Poland's fifth largest official creditor, is unique among the group of Western nations involved in the problem, in that it is the only one prepared to continue a near normal trading relationship.

Bonn export insurance up 20%

BY JAMES BUCHAN IN BONN

POLAND'S severe balance of payments difficulties last year contributed to a steep increase in payouts for West Germany state-backed export insurance. According to figures released yesterday by the Bonn Economics Ministry, payouts in export insurance last year increased by 20 per cent to a record DM 770m (£179m).

The new figures come hard on the heels of revelations that the state has approved some DM 1.2bn in credit guarantees for exporters to the Soviet Union in the two months since Nato countries agreed to study reprisals against Moscow and Warsaw following the imposition of martial law in Poland. One opposition deputy in the Bundestag has said that the guarantees are in violation of Nato policy, but the Ministry denies this.

A further DM 300m in guarantees has received preliminary approval, the Ministry said on Thursday.

The volume of guarantees for Soviet trade is not in itself surprising, since many of the *guarantees are associated with* the Soviet gas pipeline project which the West German Government insists must go ahead as it was agreed before the crisis in Poland.

The unusually large insurance payouts last year are also something of an embarrassment, coming as they do after a doubling of payouts in 1980 following the collapse of business in Iran. For the second year running, export insurance expenditure—accounted for largely through the Hermes Organisation—exceeded income, this time by DM 44m.

The cumulative value of export business covered at the end of last year amounted to DM 135.7bn, a rise of 16 per cent on the 1980 year-end figure and approaching the DM 150bn authorised under the *1980 budget law. New export* business covered last year rose 26 per cent to DM 36bn.

Exposure to the Communist state trading nations by West Germany factually fell fairly sharply, to account for only 2 per cent of the total at the year end. But with the painful experience in Iran still fresh in memory, there has been some carping at the massive exposure to individual Opec countries, notably Saudi Arabia and Iraq. Overall, Opec accounted for 53 per cent of total export guarantees at the end of 1981.

Solidarity martial law protest

By Christopher Bobinski in Warsaw

THE UNDERGROUND leadership of the Solidarity independent trade union in Krakow, southern Poland, has *told its members to protest* against the imposition of martial law, but has warned against offering resistance to "violence or the threat of violence."

The protest is to include a "symbolic" work stoppage at midday today and people are being urged to put out their lights at nine in the evening for 15 minutes on the three-month anniversary of martial law. The Krakow leadership has also told people to boycott cinemas and not to buy newspapers.

U.S. mission to EEC faces tough talks on trade

THE MAJOR EEC Governments *are expecting difficult talks* with the U.S. mission which arrives in Bonn today at the start of a European tour, to discuss further economic sanctions against the Soviet Union and Poland.

The mission, led by Mr James Buckley, Under Secretary of State, will press Bonn, Paris, London, Rome and the EEC Commission to restrict trade credits for the Soviet Union.

It will also call for limitations on trade and discuss the future of the controversial 5,000 km Siberia-West Europe pipeline.

But on all these issues it is at odds with its allies. Countries like Britain oppose limitations on the amount of export credits to be given to the Soviet Union. There is a general European view that stopping subsidies on export credit will divert all Soviet orders to low-interest countries such as Japan.

A major confrontation over the proposed gas pipeline is unlikely: the U.S. Administration has recently made it clear that it accepts the State Department's argument that trying to block the pipeline would be "futile" and cause rifts in the alliance.

However, Western Governments are likely to press Mr Buckley to explain just how the sanctions announced by the U.S. on December 29 will affect Western firms. These firms still do not know the conditions which will be attached to equipment such as the General Electric rotors delivered for use in compressor stations.

Dubai's gold trade boom makes up for silver slump

By Patrick Cockburn in Dubai

ONE OF the world's largest suppliers *of recycled silver* is Mr Haji Ashraf's Eastern Trading Corporation of Dubai, the trading entrepot of the Gulf. This January he also imported 28,700 oz of gold from London, most of which will eventually be sold to India.

This is big business by any measure, but Mr Ashraf is not easy to find if you have not taken the precaution on the phone of asking him the exact location of his office. It is not in any of the smart white office blocks which *house the entrepot's myriad* bankers.

Instead you must go to an alley way on the edge of the soukh (market) and find a narrow crumbling cement stairway *which takes you to a roof top* on which large pieces of unidentifiable machinery have been left to decay. In one corner of the roof is a small office in which Mr Ashraf sits.

Yet by any standard the volume of silver he handles is enormous. In 1980 and 1981 Dubai exported 38m oz of silver, most of which is smuggled from India. *Attracted by the historically* high prices of silver, boosted even further by the efforts of the brothers Hunt to corner the market, Indians melted *down heirlooms and jewellery.*

After it reached Dubai much of this silver passed through the hands of the Eastern Trading Corporation which is the largest single trader in the commodity. Today, however, *the collapse of the world* silver price has led to almost a complete drying up of supplies from India, Mr Ashraf says.

But just as the silver trade is closing down, the fall in the world price of gold has opened up opportunities for Dubai. Traditionally merchants in the city like silver prices to be high, so Indians are willing to sell, and gold to be low, so Indians can afford to buy it. Once again the gold soukh on the Deira side of the creek is bustling.

In the 1960s and early 1970s *Dubai* was a free *market* for gold when its price was pegged against the dollar. Gold was imported legally from Europe and the U.S. and then smuggled to India aboard dhows with high-powered engines to outpace Indian customs patrol boats. In 1970 alone, 259 tons of gold was sold in Dubai. Once it arrives in India the gold, *sold at a higher price, is used* for marriage gifts and security.

But by 1974, with the world price of gold no longer fixed, the bottom had dropped out *of the gold* business. Its rising price also tended to put it beyond the purchasing power of Indian merchants and peasants, who bought it a few ounces at a time.

The recent fall in the price of gold has, however, led to a resumption of smuggling to India.

Mauroy orders police action in 'wine war'

PARIS—M Pierre Mauroy, France's Prime Minister, ordered police action yesterday against militant wine-growers who destroyed 1.3m gallons of wine in a commando-type raid at Sete, a French Mediterranean port.

M Mauroy

The growers, whose action was one of the most spectacular so far in the "wine war" over cheap Italian imports had in fact destroyed wine of French origin, the owners, Comptoir Agricole Francais, said yesterday.

The growers had used plastic explosives to blast their way into a depot at Sete on Thursday and had emptied the contents of two storage tanks into a nearby canal. They also emptied a tanker truck.

French television, which had been invited to film the attack, showed a river of wine pouring from the damaged tanks into a nearby canal.

The raid broke a month-old truce by the wine growers. M Mauroy called it an "intolerable outrage" and said police had instructions to bring the perpetrators to justice.

M Mauroy's Socialist Government is under orders from the European Court of Justice to lift a temporary ban it placed on imports of Italian wine in January.

The Government took the action, illegal under the free trade laws of the European Economic Community, to try to defuse a growing wave of protest by French growers, claim*ing their livelihoods* were threatened by cheap Italian imports.

Militant growers have attacked and emptied dozens of road tankers over the past year, but few have been traced and prosecuted for their actions.

Chronic French over-production contributes to an EEC surplus of millions of gallons of low-grade wine every year.

France imposed a similar temporary ban last August after a series of protests culminated in the destruction of the entire cargo of a wine-tanker lying in the port of Sete.

The wine dispute coloured a visit to Rome last month by President Francois Mitterrand, and soured a trip to Brussels by M Mauroy last week.

M Mitterrand promised the Italians an "armistice" and M Mauroy said France would *do everything to comply with* the March 4 Luxembourg ruling, made after Italy complained to the EEC.

Mitterrand faces test in cantonal elections

BY DAVID WHITE IN PARIS

FRANCE'S Socialist-led ruling coalition is hoping to obtain the presidency of a majority of departmental assemblies in cantonal elections, the first round of which takes place tomorrow.

Half the country takes part in the polls, in which one councillor is elected per canton. Departmental councillors sit for six years, with half the seats being renewed every three years.

These elections traditionally have less impact than other national ballots, and abstention rates in recent years have consistently exceeded one-third. But this year's poll has taken on extra importance, partly because of the executive powers which assembly presidents are due to take over from the Government-appointed prefects under new decentralisation laws, and partly because they are the first nationwide ballot *since last year's Socialist land*slide in the presidential and parliamentary contests.

In January the Socialists suffered a big psychological setback when the Centre-Right opposition scored a grand-slam victory in four by-elections.

Although the Left scored a majority of votes in the cantonal elections of 1976 and 1979, it holds only 44 presidencies in the country's 95 metropolitan departments.

The Socialists hope to poll at least 30 per cent on Sunday, a relatively modest aim compared with the 37.5 per cent which they and their left-wing Radical allies scored in last June's parliamentary election, in the immediate aftermath of President Mitterrand's victory.

The poll will equally be a test for their Communist coalition partners and for their recovery potential after last year's post-war low of 16 per cent.

The neo-Gaullist RPR and the Giscardian UDF are fielding joint candidates in some 1,500 cantons. The left-wing majority, on the other hand, has opted for an "each party for itself" strategy in the first round.

OECD chief *to stay on*

THE Organisation for Economic Co-operation and Development agreed yesterday to ask Mr Emile van Lennep to stay on for a *further* 2½ years as Secretary-General after failing to find a replacement, David White writes from Paris. The reappointment of the 67-year-old Dutchman is due to be announced *officially* at an OECD council meeting next Wednesday. The compromise decision came despite vigorous lobbying by Italy on behalf of its candidate, Sig *Filippo Maria Pandolfi.*

Sig Pandolfi, a Christian Democrat and former Treasury and Finance Minister, is understood to have had the backing of most EEC countries, including Britain. But his chances were blocked by the U.S.-backed candidacy of Ms Helga Steeg, a senior West German civil servant.

Japanese mission to visit West

By Charles Smith, Far East Editor, in Tokyo

A NINE-MAN economic mission of Liberal Democratic Party Diet members, headed by Mr Masumi Esaki, former Minister of International Trade and Industry, left Tokyo last night for a tour of four Western European countries.

The mission, which will be in Europe until March 27, aims to explain recent Japanese import liberalisation measures to European Governments, and collect opinions which might help to form the basis of further measures.

Mr Esaki and his colleagues will spend the first two days of next week in Brussels where they will meet Mr Leo Tindemans, Belgian Foreign Minister, and top officials of the EEC Commission.

On Wednesday and Thursday, the mission will be in London for talks with Mrs Thatcher, Mr John Biffen, Trade Secretary, and probably Lord Carrington, Foreign Secretary.

They will then move on to France and West Germany where meetings are scheduled with the French Trade Minister and the West German Minister of Economics.

Mr Esaki is chairman of the *Liberal Democratic Party* committee on international economic relations which drafted the list of 67 non-tariff barriers that are beiyg abolished as part of Japan's *current liberalisation pro*gramme.

The committee also recommended the establishment of a trade ombudsman's office, to handle complaints from would-be importers.

Mr Esaki recently returned from a visit to the U.S. where these and other reasures were explained to American officials and congressman.

Bank of China stake in new joint venture

THE BANK OF CHINA has taken a stake in the equity of a £1m China-UK joint venture to be set up in London. The new company, China Consolidated Enterprises Ltd, is believed to be the first outside Hong Kong in which the bank has participated, writes Colina MacDougall. The new company is being set up to handle all trade between Fujian province and the EEC.

UK-China talks on commercial air links

BRITISH and Chinese officials have opened talks to review a commercial air services agreement which Britain feels is lopsided in China's favour, Reuter reports from Peking.

A major issue is likely to be the near-monopoly of lucrative traffic between China and Hong Kong enjoyed b ythe Chinese airline CAAC.

Japan-Spain $200m project in Morocco

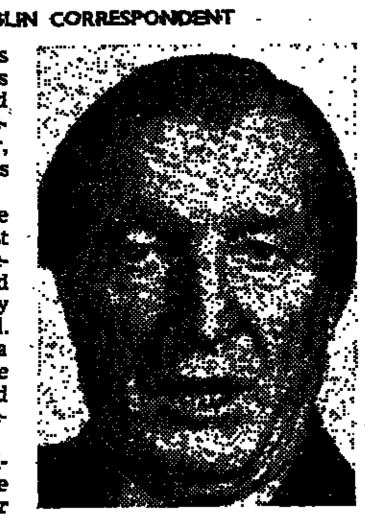
THE SPANISH Foreign Minister, Sr Jose Pedro Perez-Llorca travelled to Morocco yesterday to attend the stone laying ceremony of a $200m (£110m) sulphuric acid plant to be built by a Japanese-Spanish consortium at Jorf Lasfar, south of Casablanca, writes Francis Ghiles in London and Tom Burns in Madrid.

The consortium, formed by Mitsui, Mitsui Engineering and Shipbuilding and Spain's Fomento de Commercio Exterior (FOCOEX), is due to sign a formal contract in April for the construction of a six unit plant

Haughey deal with Independent attacked

BY BRENDAN KEENAN, DUBLIN CORRESPONDENT

THE IRISH Premier, Mr Charles Haughey, will not reveal his junior ministerial team, and possibly not the name of Ireland's new EEC Commissioner, until Parliament reassembles on March 23.



Mr Haughey

Mr Haughey leaves for the U.S. on Monday to fulfil a St Patrick's Day lunch engagement with President Ronald Reagan, which was accepted by his predecessor, Dr FitzGerald. Mr Haughey leaves behind a growing political storm over the written agreement he signed with the left-wing Dublin Independent, Mr Tony Gregory.

Opposition MPs and councillors have been attacking the measures promised by Mr Haughey to improve Dublin's inner city—the area Mr Gregory represents. One MP has threatened legal action if central Dublin gets privileged treat*ment, and there have been* demands from Cork and Limerick for similar measures to be applied to their urban problems.

The major question is whether *Mr Haughey intends funding* the measures—variously estimated at between I£80m (£66m) and I£150m—by increasing the current budget deficit or raising new taxes.

There is speculation that Mr Haughey might raise money to pay for his pledges by introducing pay-related contributions for the public service.

Meanwhile, the state transport undertaking, CIE, is waiting to *hear how the Government pro*poses to cover its deficit in the light of assurances given to Mr Gregory that fares in Dublin and other major towns would not rise this year.

CIE's estimated deficit for 1982 is I£115m, as compared with I£94m last year, despite fare increases of more than 35 per cent since July.

There have been doubts about *the future of the state monopoly* since the U.S. consultants, McKinsey, advocated breaking it up

Tin Council meeting on export bans

By John Edwards, Commodities Editor

A SPECIAL meeting of the International Tin Council has been called for next Friday, March 19, to consider the possible imposition of tin export controls.

The decision to call another meeting of the Tin Council, which held a two-day session on Monday and Tuesday this week, was made yesterday by Peter Lai, its executive chairman.

Officially the meeting is being called to review the state of the tin market. But unofficially it is known that several producing countries, led by Bolivia and Malaysia, want the imposition of export controls.

The main method employed by the agreement to control tin prices is a buffer stock, which seeks to defend an agreed "floor" and "ceiling" price range. However when the buffer stock acquires more than 5,000 tonnes of tin — as is certainly the case now — the extra defence of controls on exports *of tin is considered.*

Malaysia's primary industries minister, Datuk Paul Leong, said yesterday in Kuala Lumpur that consumer opposition to introducing export controls *at this week's Tin Council meet*ing would only aggravate the worsening situation in the market.

UK NEWS

Foot on the attack as Labour sets its sights on Hillhead test

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

THE Scottish Labour Party, its sights clearly set on the March 25 Glasgow Hillhead by-election, started its annual conference yesterday with a call for party unity.

In the opening minutes in Perth town hall, Mr Michael Foot, the party's leader, assailed the Government's decision to adopt the Trident missile, another speaker attacked President Ronald Reagan's visit to Britain as an affront to democracy and the media was roasted.

The sore spot of party unity is not as dominant an issue in Scotland as it is in the South. None the less it was unexpectedly touched again by the appearance of Mr Pat Wall. Mr Wall supports the left-wing Militant Tendency attaching to the party and is the Labour Party's prospective parliamentary candidate for Bradford North.

Mr Wall and Mr Bob Wylie, the Militant Tendency's Scottish organiser, irritated some conference officials by taking over the standing-orders room above the conference floor, to hold a lunchtime Press conferecne.

Mr Wall defended his speech of last weekend. He said the reporting had been a landmark in a campaign to discredit his candidature.

Mr Foot steered clear of the party's internal problems, to concentrate on unemployment and the Government's Trident decision.

He said: "Yesterday, in the House of Commons, we had one of the most shameful and despairing pronouncements not merely on defence policy but on British international policy that I have ever had the misfortune to hear."

He said Mr John Nott, Defence Secretary, instead of saying what Britain's disarmament role would be "was saying how Britain was to make its own special contribution to intensifying the arms race."

The Labour Party would do everything in its power, Mr Foot said, to set a unilateral example to ensure the nuclear arms race was stopped.

Mr George Galloway, the conference chairman, set the tone for party unity. He rejected what he called the "red smear of any ideas of any solution that falls out with the narrow parameters set by the media or the millionaire press barons that control it."

He said the Press could not be allowed to silence socialist ideas and continue to cast party members into the lion's den.

"Let hunting witches start and there is absolutely no guarantee that the hunters will not stop at the one witch to the left of you."

On international affairs Mr Galloway said it was a depressing reality that the U.S. had taken on such a malevolent role in the world. Mr Reagan "and his two-bit hucksters in the Administration in the White House are a danger to world peace and the world.

"If Mrs Thatcher's buddy Ronald Reagan comes to Britain, I hope wherever he goes he will be met by hostility and demonstrations. It is an affront to democracy that he should be invited to the heart of democracy, the British House of Commons, and I hope that, if he persists in coming, every Labour MP from the leader down to the least auspicious Member will have something else to do."

Mr Galloway asked why the party could not be unified to bring about a victory in Hillhead. The Hillhead candidate, Mr David Wiseman, was at the top table in the conference hall.

Petitions for wind-up of De Lorean are dropped

By John Griffiths

TWO CREDITORS' petitions seeking the winding-up of De Lorean Motor Cars have been withdrawn.

The petitioners dropped their actions after Sir Kenneth Cork and Mr Paul Shewell, the joint receivers, outlined the adverse consequences for their attempts to refine the Belfast-based sports car manufacturer as a going concern.

A creditors meeting was told on Thursday that they could expect at least 30p in the pound if the company was refloated as a going concern. There would be no compensation in the event of liquidation.

The plant still employes 1,500 people. Mr Tony Scott, head of Scott Engineering at Nuneaton, one of the petitioners said preserving jobs had been a factor in withdrawing the petition, which was presented before the receivers were appointed.

Scott Engineering has replaced most of its lost business and avoided the need to make a third of its 120-strong workforce redundant. The company claims it is owed a "six-figure sum" for De Lorean supplies.

Licensed dealing changes win Harvard's approval

BY JOHN MOORE, CITY CORRESPONDENT

HARVARD SECURITIES, the licensed dealer, has told the Department of Trade that it agrees with the Department's proposals for revising rules governing the licensed dealing community.

Harvard Securities sounds notes of reservation in its submission to the Department of Trade, in that it does not think that the proposals go far enough in certain respects.

Harvard would like to see the interim and final accounts of all licensed dealers monitored within three months of the end of the relative accounting periods to ensure reasonable levels of liquidity.

Harvard also points out ambiguity in the wording of the proposals submitted by the Department. It warns that it might be impossible for licensed dealers to obtain a client's written consent to trade in stocks and shares in which the licensed dealer has any direct or indirect pecuniary interest.

Harvard has told the Department that most of the changes will not affect its own activities as it does not have managed funds of any type "nor do we intend to undertake any type of discretionary management."

Harvard urges an increase in the annual charges for principals' and representatives' licences to more commercial levels. "The formation of a compensation fund is imperative if licensed dealers are going to be able to compete effectively with the Stock Exchange."

Harvard believes that a compensation fund could be created through licensed dealers paying up to £10,000 each into a central fund and £2,500 per annum thereafter. In a recent newsletter Harvard argued that "this would quickly raise a competitive compensation fund and at the same time dispense with some of the smaller undercapitalised licensed dealers.

"Unfortunately, there has been a trend for licensed dealers to be set up by starry-eyed account executives who have little knowledge of the workings of a company," the newsletter said.

Mr Tom Wilmot, managing director of Harvard, said yesterday that the changes proposed by the Trade Department were "a move in the right direction."

Harvard Securities sued the Stock Exchange in 1980, claiming damages of up to £2m. At issue was the Stock Exchange's refusal to enter Harvard on a special list of professional dealers which receive large discounts on normal dealing rates. Behind the scenes, legal negotiations, and discussions of the litigation which is still in progress, are understood to have reached a delicate stage.

New 'exam' for 17 plus considered

By Ivor Owen

A CONSULTATION paper outlining the Government's views on the possible introduction of educational assesments designed to help non-academic youngsters secure jobs is likely to be presented to Parliament within the next month.

Mr William Shelton, Under Secretary for Education, envisaged the paper's publication "around Easter" when he replied to Labour protests in the Commons yesterday that government policies are responsible for the record levels of youth unemployment.

People not covered by CSE and "O" level eaminations but who voluntarily stay on at school beyond the age of 16 are one of the main categories ministers will have in mind in framing their proposals.

A new "17 plus" qualification which provides more of a measure of the holder's readiness to enter the world of commerce and industry, rather than of academic attainment, is likely to be recommended.

Mr Shelton also forecast the introduction of a national certification scheme to record the overall progress of youngsters in their school years.

Whitelaw replies to right wing

BY MARGARET VAN HATTEM, POLITICAL STAFF

MR WILLIAM WHITELAW, Home Secretary, yesterday hit back at his Right wing critics in the Conservative Party who are pressing for tougher government lines on law and order.

"Sometimes I feel there are those people who spend more time on complaints and criticism of the police than in assisting them," he said.

Speaking at a businessmen's lunch in the West Midlands, Mr Whitelaw referred to the latest crime rise in Britain over the last year, and to the increase in public concern.

He said that the police have been "remarkably successful" against professional criminals, hi-jackers and terrorists, but less so in dealing with "the local young thug and the opportunist burglar." And they would not succeed without active support and information from the community.

Mr Whitelaw conceded that some police officers "fall below the high standards expected of them," but insisted that for every policeman who broke the law, there were thousands who risked their lives to protect the public.

"To curb crime, the police need the public's trust and the public needs protection that only the police can provide," he said.

He indicated he would resist pressure for tougher laws. The Government fully backed the courts in passing deterrent sentences on serious crimes of violence.

It had a responsibility to ensure that they had adequate powers to deal with offenders.

"All this we have done," he said "It must now be for the police to put their new strength to the best possible use in controlling crime.

"The strategy which must be followed is firm enforcement of the law with a campaign to make a reality of community involvement in curbing crime. There must be a growing together, in trust and action, between the police and the communities they serve."

Varley accused over Bill

BY MARGARET VAN HATTEM, POLITICAL STAFF

MR MICHAEL ALISON, Junior Employment Minister, yesterday made a strong personal attack on Mr Eric Varley, shadow Employment Secretary, accusing him of behaving like a member of the Militant Tendency.

Mr Varley, he said, was resorting to open intimidation in his campaign against the Government's Employment Bill.

Referring to Mr Varley's reported claim that the Bill would remove from trade unions the obligation to contribute to stable industrial relations, Mr Alison said that this constituted official Labour endorsement of the TUC's campaign of industrial action against the Bill.

He said "It would be hard to imagine a posture more irresponsible and contradictory for the official Opposition to adopt.

"Labour must in principle be committed to the law and the Westminster system of Government; indeed Michael Foot is avowedly seeking a general election mandate to operate this very system of parliamentary Government.

"Yet here is Mr Varley cheerfully backing extra-parliamentary industrial action to thwart the will of Parliament.

Harrods shifts into top gear

By John Griffiths

FROM Monday, Harrods carrier bags will sprout wheels, contain people and cost £33,500.

That is the price of a Top People's version of the BL Range Rover, in the famous green-and-gold livery inside and out, which the Knightsbridge store is to start selling —with its logo on the bonnet —next week.

Lesser people pay £14,000 for the standard version. But the Harrods customer enjoys, among other things:

Green-dyed Connally hide seats with gold piping; gold draylon headlining; carpets of a pile almost deep enough to send the driver on safari for the gearshift; colour television; video-cassette recorder; camera; six-piece set of matching luggage; picnic case; fitted shooting-stick and brolly; central locking; air-conditioning; and what is enigmatically described as a moon roof: The restyled dashboard is in Harrods green suede.

Oh, and there's a folding motor-bike in the boot. It is ideal, says Harrods, "for getting from the car park to the yacht."

The Harrods machine is the result of a venture with Wood and Pickett, the London-based coachwork specialist. Only 20 are being built, and they will be on sale until April 17.

This is a first foray into motor vehicles for Harrods, which prides itself on selling the expensive unusual.

No after-sales servicing will sully the hallowed halls. Other places exist, the firm points out, to do such things.

BCal to operate former Laker route to Barbados

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH CALEDONIAN Airways is to operate flights between Gatwick London, and Bridgetown, Barbados, on behalf of the Barbados Government for the next year. BCal is replacing the flights made by Caribbean Airways, in which Laker Airways had a 49 per cent stake.

The Barbados Government holds the other 51 per cent in Caribbean Airways. That airline owned no aircraft but under an agreement Laker flew to Barbados twice-weekly from Gatwick via Luxembourg.

Since the Laker collapse, BCal has operated between Gatwick and Barbados on behalf of Caribbean Airways. Condor, the West German charter airline has also been helping.

Mr Leroy Sisnett, Parliamentary Secretary in the Barbados Ministry of Civil Aviation and Tourism, said an agreement had been reached with British Caledonian. Flights, now once-weekly, will rise to twice-weekly from May 12. BCal will take on some former Caribbean Airways crew.

The Barbados Government is reviewing the financial structure of Caribbean Airways in the light of the Laker collapse. It is determined to keep the airline operational.

The BCal aircraft will also bear the colours of Caribbean Airways. It is hoped the new arrangement will help to restore traffic on the route which has been hit severely by the Laker collapse. Many travel agents have regarded Caribbean Airways as a Laker operation, unaware of the Barbados Government's controlling interest in the airline.

● Anglo-Chinese talks on a new international air services pact between the two countries have begun in Peking (Beijing). A major issue will be the near monopoly enjoyed on the Peking-Hong Kong route by the Chinese flag airline, the Civil Aviation Administration of China.

The Hong Kong-based Cathay Pacific Airways has two flights a week between the colony and Shanghai. The CAAC has about 40 flights a week between Hong Kong and various Chinese cities.

British Airways flies once a week to Peking, but is not allowed to pick up Peking-bound passengers in the colony nor take on Hong Kong-bound travellers in Peking.

● Mr Knut Hammarskjold, director-general of the International Air Transport Association, said in Abidjan—where IATA'S Executive Committee has been meeting—that there should be more airline co-operation to end "fares wars."

The 116 member-airlines of the IATA collectively lost about $2.5bn over the past two years, and more co-operation was needed urgently to reduce operating costs and improve financial returns.

The Executive Committee has been studying a three-year strategic plan designed to reduce operational costs on major routes and to fill more seats.

● The third British Aerospace One-Eleven airliner to be built in the UK under the Anglo-Romanian airliner manufacturing agreement was handed over to Tarom, the Romanian state airline, at Hurn, Bournemouth, yesterday.

A One-Eleven assembly line is being developed in Bucharest. The first Romanian-built One-Eleven is due to fly later this year.

Under the agreement, no more One-Elevens will be built in Britain, but 22 kits of parts are being built for assembly in Romania which plans to assemble up to 80 aircraft. Half of these will be exported.

Damages for tanker delay fixed

By Raymond Hughes, Law Courts Correspondent

A MOROCCAN corporation was ordered in the Commercial Court yesterday to pay the owner of a chartered tanker $248,095 (£138,000) damages for delay caused by the vessel's inability to reach its nominated berth.

Société Anonyme Merocaine de l'Industrie du Raffinage chartered the 120,000-ton Kriti Sea from its Panamanian owner, Azalea Shipping Co, to carry 99,000 tons of crude oil from Turkey to Morocco.

On arrival at the discharging port of Mohammedia, the vessel was prevented from berthing for eight days and five hours while repairs were carried out at the only terminal at which it could berth. The terminal had been damaged by another vessel in bad weather 10 days earlier.

Under the Exxonvoy charterparty under which the vessel was operating, the rate for payment for demurrage (delay) was $30,225 a day.

Mr Justice Bingham rejected the charterer's argument that, by Clause 6 of the charterparty, it was not liable for demurrage if the reason the vessel could not reach its nominated berth on arrival was beyond the charterer's control.

Azalea had argued that Clause 9 of the charterparty imposed a clear obligation on the charterer to nominate a berth that the vessel could reach on arrival.

Government lifts ceiling on election expenses

BY MARGARET VAN HATTEM

THE CEILING on election expenses in parliamentary and local government elections is being raised, the Home Office announced yesterday. The move will boost the campaigns of candidates in the Hillhead by-election.

The rise in parliamentary election expenses, effective from yesterday, lifts the limit in borough constituencies to £2,700 with 2.3p per elector (previously £1,750 and 1.5p). The limit for county constituencies will be £2,700 with 3.1p (£1,750 and 2p).

Limits on expenses for local elections, which will be effective in May 6 local elections, will be raised to £120 and 2.4p per elector (£100 and 2p).

The Home Office said the increases compensated for inflation since the limits were raised in July, 1978, for parliamentary elections and March, 1980, for local elections.

Mortgage interest rate

A TREASURY table shows the true mortgage interest rate people pay after tax relief in different bands. This relief applies only up to a limit of £25,000.

TRUE MORTGAGE INTEREST RATE AFTER TAX RELIEF

Mortgage interest rate per cent	Marginal rates of tax or investment income surcharge per cent: 30	40	50	60	75
13¼	9.4	7.8	6.7	5.4	3.4
14	9.8	8.1	7.0	5.6	3.5
14½	10.1	8.4	7.2	5.8	3.6
15	10.5	8.6	7.5	6.0	3.7

Investment income surcharge is 15 per cent

ICI Fibres emerges from the doldrums

Anthony Moreton reports on a new fabrics drive

THIS IS the year in which ICI Fibres puts its head above the parapet again. For five years it has deliberately adopted a low profile as it fought to bring rising costs and over-staffing under control. Now John Lister, its chairman, believes the company has got things right and he is preparing, from his eyrie in Harrogate, Yorkshire, to mount an aggressive campaign, especially in Europe, to capture an increasing share of the market.

"We shall be showing at about 15 exhibitions this year," he says, "and showing something new at every one. We know where we want to go over the next two years. Our marketing is geared up and ready to go."

The campaign is being spearheaded by three products—Mitrelle, Terinda and Timbrelle S, all of which have been inveiled but which have still to percolate through to the consumer market. John Lister claims they are radically new products and that Terinda, especially, is "the big breakthrough."

Terinda looks and feels like suede. Basically, it is an apparel fabric and will be aimed in strength at the women's market. But it can be made up into a fabric that looks like velour or panne.

Technically, it is a polyester yarn for knitting and has been designed specifically for surface finishing. Its great strength is that it gives a level dye for plain fabrics which, says Mr Lister, "is where the big business is." Using Terinda, manufacturers can, according to ICI, "achieve varying surface effects with greater ease and consistency than any other conventional fabric."

Terinda, which has been developed for the autumn/winter 1982-83 fashion season, follows hard on the heels of Mitrelle, directed to trade buyers last autumn and soon to be guided in the direction of the consumer market this spring. Mitrelle is, technically, a polyester filament yarn for weaving. It looks and feels like silk. In a test, three-quarters of the women asked to evaluate Mitrelle thought it was silk and most of them considered the name to be "chic", an important factor in marketing.

Mitrelle was launched officially at Insterstoff, the big European fabric fair in Frankfurt, last May. Terinda followed at the autumn fair. Mitrelle is made up by the garment manufacturers into dresses, separate, lingerie and nightwear ready for the market this spring.

The third member of the trio, Timbrelle S, was launched in Germany last year and is seen as the group's flagship in the carpet market for the 1980s.

Timbrelle is not a new trade mark for the company but the S variation has been introduced for the specialist high-quality end of the market. As such, it will form a major part of the marketing strategy this year.

Timbrelle S is the result of a programme to produce a carpet fibre that looks clean even when it is dirty. This has been made possible by a chemical process which has created a fibre that uses the available light to produce the optimal effect of a cleaner carpet. Technically, a special additive has been inserted into the polymer which results in a fibre that contains a multitude of fine cavities. These reflect and refract light in such a way that soil does not show.

All three products take ICI back into the field of named fibres and, as part of the new policy, most if not all of other new products to be introduced (none of which will be as important to the company as these three) will also be marketed under distinctive names.

This is a change of emphasis because ICI, like its competitors, has for some years stopped producing wonder fibres. The days of Terylene (from ICI), Trevira (Hoechst), Terlenka (Akzo), and Orlon (Du Pont) have all but passed. ICI's own Crimplene, for instance, is now to be found only in small quantities and at the bottom end of the market.

The return to named fabrics might appear to be taking ICI back to the 1960s with a vengeance. The company is not worried about such an accusation because these new lines are seen as European projects—European because that is where 60 per cent of ICI's business is.

Terinda was launched to the trade through seven selected manufacturers in six countries —Derby Nyla, of Long Eaton, and Guilford Kapwood, of Somercotes, Derbyshire, in the UK; Miti, of Milan, in Italy; Le Textile Delcer of St. Quentin, in France; Roekona Textilwek, of Tubingen, West Germany; Axelsons Textil Industri, of Toreboda, in Sweden; and Humlen Industri, of Vegsund, in Norway.

This follows the pattern of Mitrelle where ICI has worked with eight trans-European weavers, two each in France and Germany and one in Britain, Austria, Finland and Italy.

Alan Pedder, ICI Fibres' commercial director, says that "Europe is not one unit, but many national markets. To be successful in these markets we have to know them better and be close enough to interpret and translate their individual needs quickly. Our commercial and marketing functions now operate on a European basis with managers responsible for sales to specific trade sectors located not only in the UK but also in our sales offices in every key country.

"We have to find the route to profitability for both our customers and ourselves. This involves the closest possible co-operation with the inventive textile manufacturers across Europe, manufacturers who understand the changing market requirements and who can react with us to the new product opportunities."

ICI can take this new road because it has reached the position where its numbers are now about right for the new, faster technology which has been introduced.

In its heyday, a decade ago, ICI Fibres employed more than 18,000 people in the UK. That figure is now slightly under 9,000, which is probably still a little on the fat side, though not by very much. Major rationalisation programmes have taken place at the company's works at Pontypool, South Wales, Doncaster and Wilton on Teesside.

The biggest of the closures was in the autumn of 1980 when the Kilroot plant in Northern Ireland was shut with the loss of 1,200 jobs. There have been a number of smaller closures and ICI now operates from nine factories instead of the 23 it once worked.

This rationalisation has been accompanid by a considerable amount of new investment and greater output. The fibre investment programme over the past decade has topped £200m with the result that some of the equipment is now running at speeds of around 200 mph in place of the 45 mph previously. Yarn is being wound directly on to 20kg drums instead of smaller ones ranging from 1kg to 4kg.

ICI is moving out of the basic grades and into more specialised polyester filaments. According to Mr Lister, ICI has left the basic grades for items such as shirts to the low-cost suppliers in the Far East and concentrated on the up-market products to which a name can once more be attached. Cheap yarns can be bought anywhere, he says. It is a road that other western yarn producers are also taking.

What does all this mean for profits? The new products are an essential weapon in getting the company back into the black. Over the past five years ICI Fibres has taken a terrible pounding, rising to a peak in 1980 with the textile recession which hit not only Britain but also the rest of Europe.

In that year the company lost £87m which, coming on top of smaller losses in the previous two years, took the accumulated loss well over £100m. Last year's figure is not yet available but according to Mr Lister it will be well below that of 1980. It will still, however, be a red figure in the books.

This year is, therefore, crucial. The new products will probably not show up in terms of profitability before 1983 but it is essential that this year should see a firm base from which to get back into the black. John Lister says there is a good chance of moving into profitability this year.

The rationalisation and new investment which has taken place is not the end of the story. The company is looking for a further £15m to £20m in savings over the next two to three years to improve technical efficiency and provide elbow room for the marketing programme necessary if the new products are to succeed.

Taste for the exotic puts some pep into spice sales

BY MAURICE SAMUELSON

THE SPICE trade, which lured Columbus and Drake on their travels, is making a comeback—in high streets throughout Britain.

Since 1973 the cash value of herbs and spices sold in Britain has risen by 76 per cent to £30m, says Mintel, the market research organisation. It attributes the growing demand to the influence of foreign travel, the presence of ethnic minorities, and better merchandising techniques, such as sales in glass jars.

The two most important commodities are ground white pepper—worth more than £7m in 1981—and curry powder, valued at £3.5m. While the volume of pepper sales was static, those of curry grew by 18 per cent over the period.

The growing taste for curries is attributed to their use in flavouring cheaper meat cuts, as well as the launch (notably by Colmans) of curry mixtures.

Manufacturers also report growing curiosity about herbs and spices previously considered minority tastes such as garlic, chilli and oregano.

The role played by the use of glass jars in boosting sales is reflected in the fact that they now comprise 40 per cent of sales. Schwartz and McCormick is said to be the dominant company in this field.

At the same time, there has been a decline in the importance of retailers' own label spices

Modern British paintings fetch £260,582

By Antony Thorncroft

ONE OF THE most buoyant sectors of the art market at the moment is modern British painting. The morning sale at Christie's yesterday totalled £260,582, with just 9 per cent bought in, and there were eight artists' records among the top eleven lots.

D'Offay, the London dealer, paid £32,400 for "The New Bedford," a music hall interior painted by Sickert in 1908. "Wall against the sea" by Paul Nash went for £18,360, with the hammer price equalling the record for a Nash set at Sotheby's earlier in the week. The Maclean Gallery paid £16,200 for "Chrysanthemums," a record price for a Victor Pasmore.

The next five top lots all set artist records—£11,088 for "L'Aperitif" by Edmund Blampied; £9,180 for "Tulips and Daffodils" by Sir Matthew Smith; £7,560 for "Harbour in snow, La Rochelle," by Sir William Nicholson; £6,480 for "Landscape Composition" by John Luke; and £5,940 for "The return of the goosegirl" by Dorothea Sharp.

Owen launches attack on two-way Budget squeeze for councils

BY MARGARET VAN HATTEM, POLITICAL STAFF

BURIED AWAY in this week's Budget was a "time-bomb for ratepayers and rentpayers," Dr David Owen, parliamentary leader of the Social Democratic Party, said yesterday.

"This Budget is a con trick," he told an SDP meeting at Saltash, Cornwall.

The 2 per cent rise in government cash aid to local authorities over the next year meant in practice an 8 per cent cut in the spending value of government aid to local councils, he said.

"That means the Chancellor is putting local councils all over the country in a two-way squeeze. He will force them to cut even more essential services and jobs, and to send rates and rents rocketing still higher."

Dr Owen said that while Sir Geoffrey Howe, the Chancellor of the Exchequer, claimed to have produced a people's Budget and a jobs Budget he offered no hope to the 3m unemployed.

On his own figures unemployment would rise by 300,000 in the coming year. "This will go down in history as a Budget for unemployment."

He said: "It is amazing that Sir Geoffrey failed to mention at all in his 1½-hour Budget speech the fact that from April 6 he is raising the employees' National Insurance tax—the backdoor income tax. This increase will take an extra £1.50 a week from the average pay packet."

Dr Owen promised that a Liberal-SDP government would give top priority to reducing unemployment and that the Alliance would campaign for a realistic jobs programme up to the next General Election.

Government ministers, however, rallied round Sir Geoffrey to defend the Budget. Mr Leon Brittan, Chief Secretary to the Treasury, said it was designed above all else to improve the prospects for fuller secure employment.

He said working assumptions about unemployment in the public expenditure White Paper were simply a convention. No government could actually predict when unemployment would start to fall. A great deal depended on the response of individuals and companies to the opportunities and challenges provided by the Budget.

If the opportunities were grasped there was a real chance of securing declining levels of unemployment.

Mr Brittan also defended the new employment scheme, which has come under heavy attack from the Opposition. It was not, he said, intended to create permanent new jobs, nor was it intended to reduce costs or improve competition.

He said: "It should be regarded instead as a way of mitigating the evils of unemployment rather than curing the disease itself. It is designed to reduce the sense of frustration that so many out of work legitimately feel."

Trade unions should not have any fears about cheap labour or exploitation, understandable though their fears might be.

"The work to be undertaken will have to be work which is not being done at the moment *and would not otherwise be* done. I very much hope that by stressing this we can allay any fears within the trade union movement," he said.

Mr Patrick Jenkin, Industry Secretary, said the Budget would boost industry, small firms and employment.

The help it provided for small businesses had not been fully appreciated. He drew attention to tax reliefs for small *firms and extension of the* industrial buildings allowance.

He said his department planned to introduce a grants scheme for small engineering companies. As well as enabling them to invest in capital equipment, it would provide a boost for equipment manufacturers. Details would be announced before the end of the month.

Mr Kenneth Clarke, newly-appointed Health and Social Security *Minister*, defended the Budget as "a triumph for sensible common sense." It was an easier and more popular Budget than last year's because the economy was showing small but certain recovery signs, he said.

"Labour spokesmen talk in terms of billions of pounds' worth of extra public money that might be spent. Social Democrats show their moderation by talking of a few billion pounds less than labour but more than the Budget, that might be spent," he went on.

"Every one of the rival bids would lead to a quick return to high inflation, a weaker pound and even more jobs lost.

Marplan poll of top businessmen on the economic policies of the Government

DO YOU THINK THE BUDGET WILL BE . . .

	Total	North	Mids.	South	Mnfct. constr.	Trans-port distr.	Services
Very good for the economy	25	7	4	14	9	8	8
	5%	4%	6%	5%	5%	4%	7%
Fairly good for the economy	387	130	49	208	142	163	82
	77%	76%	77%	79%	79%	78%	74%
Not very good for the economy	53	23	9	21	17	24	12
	11%	13%	14%	8%	9%	11%	11%
Bad for the economy	1	—	—	1	—	—	1
	†	—	—	†	—	—	1%
Don't know	9	1	—	8	2	4	3
	2%	1%	—	3%	1%	2%	3%
N.A.	25	1	2	12	10	10	5
	5%	6%	3%	5%	6%	5%	5%

† Fewer than 1 per cent.

ARE THERE ANY OF THESE MEASURES WHICH YOU THINK WILL BE GOOD FOR THE COMPANY?

	Total	North	Mids.	South	Mnfct. constr.	Trans-port distr.	Services
Cut in national insurance surcharge	474	164	62	248	173	194	107
	95%	95%	97%	94%	96%	93%	96%
Measures to help construction industry	237	79	35	123	84	95	58
	47%	46%	55%	47%	47%	45%	52%
Measures to limit industrial energy costs	295	110	36	149	115	117	63
	59%	64%	56%	56%	64%	56%	57%
Tax concessions for profit - sharing schemes	162	63	20	79	55	73	34
	32%	37%	31%	30%	31%	35%	31%
Indexation of capital gains taxes	185	67	28	90	65	78	42
	37%	39%	44%	34%	36%	37%	38%

ARE YOU LIKELY TO BE TAKING ON MORE STAFF, CUTTING BACK OR STAYING THE SAME WITHIN THE NEXT YEAR OR SO?

	Total	North	Mids.	South	Mnfct. constr.	Trans-port distr.	Services
More	124	41	13	70	29	63	32
	25%	24%	20%	27%	16%	30%	29%
Staying the same	272	93	40	139	103	114	55
	54%	54%	63%	53%	57%	55%	50%
Cutting back	86	32	9	45	42	22	22
	17%	19%	14%	17%	23%	11%	20%
Don't know	15	3	2	10	5	8	2
	3%	2%	3%	4%	3%	4%	2%
N.A.	3	3	—	—	1	2	—
	1%	2%	—	—	1%	1%	—

ARE YOU LIKELY TO BE INCREASING INVESTMENT, CUTTING IT OR MAINTAINING PRESENT LEVELS WITHIN THE NEXT YEAR OR SO?

	Total	North	Mids.	South	Mnfct. constr.	Trans-port distr.	Services
Increasing investment	204	67	27	110	74	85	45
	41%	39%	42%	42%	41%	41%	41%
Maintaining present levels	246	96	29	121	89	104	53
	49%	56%	45%	46%	49%	50%	48%
Cutting investment	29	4	7	18	12	10	7
	6%	2%	11%	7%	7%	5%	6%
Don't know	18	3	1	14	5	8	5
	4%	2%	2%	5%	3%	4%	5%
N.A.	3	2	—	1	—	2	1
	1%	1%	—	†	—	1%	1%

† Fewer than 1 per cent.

ARE YOU LIKELY TO BE INCREASING OUTPUT, CUTTING IT OR MAINTAINING PRESENT LEVELS WITHIN THE NEXT YEAR OR SO?

	Total	North	Mids.	South	Mnfct. constr.	Trans-port distr.	Services
Increasing output	289	94	34	161	110	113	66
	58%	55%	53%	61%	61%	54%	59%
Maintaining present levels	142	60	22	60	54	57	31
	28%	35%	34%	23%	30%	27%	28%
Cutting investment	21	4	3	14	11	7	3
	4%	2%	5%	5%	6%	3%	3%
Don't know	24	8	3	13	4	12	8
	5%	5%	5%	5%	2%	6%	7%
N.A.	24	6	2	16	1	20	3
	5%	3%	3%	6%	1%	10%	3%

WOULD YOU EXPECT YOUR WAGE BILL PER HEAD TO INCREASE MORE OR LESS IN THE COMING YEAR THAN IN THE PAST 12 MONTHS?

	Total	North	Mids.	South	Mnfct. constr.	Trans-port distr.	Services
Increase more	163	53	25	85	46	79	38
	33%	31%	39%	32%	26%	38%	34%
Increase less	218	71	25	122	91	81	46
	44%	41%	39%	46%	51%	39%	41%
Don't know	25	10	4	11	8	10	7
	5%	6%	6%	4%	4%	5%	6%
N.A.	94	38	10	46	35	39	20
	19%	22%	16%	17%	19%	19%	18%

Marplan interviewed a tightly controlled quota sample of 500 senior directors on March 10 and 11, the two days following the Budget. Interviews were conducted from the Hotline! central location telephone facility in London. Company names and telephone numbers were taken from the Dun and Bradstreet *Market File* of commercial establishments with a turnover of £5m or more a year.

APPOINTMENTS

Managing director for Showerings

Mr Edward J. Webb has been appointed managing director of SHOWERINGS. He also becomes director and chairman of both Coates Gaymers and Goldwell. All three companies are part of the wine, spirits and soft drinks division of Allied-Lyons.

★

Sir Francis Tombs and Mr R. H. Robins have been *appointed to the board of* ROLLS-ROYCE. Sir Francis will be a non-executive director. Mr Robins will be a member of the executive committee. Mr D. J. Pepper, a vice-chairman, will relinquish his responsibilities as managing director, commercial, to undertake special tasks at the request of the chairman, Lord McFadzean.

★

At PSP AND CO (UK), Mr Yrjo Niskanen, a director who represented *Pohjola Insurance* of Helsinki, Finland, has resigned and has been replaced by Mr Jukka Peltola who is at present director of the Pohjola Group Helsinki. An additional director has been appointed, Mr Eero Asp, who was formerly the managing director of the Fnnish Export Credit Company, Helsinki.

★

Mr John H. Wolstenholme has been appointed a non-executive director of STAFFORDSHIRE POTTERIES (HOLDINGS). He is a director of Perstory and was, until recently, managing director of its subsidiary Perstory Warerite.

★

Mr Les Greaves, works manager of King and Hutchings, Uxbridge, a division of WESTMINSTER PRESS, *will succeed* Mr Les Maslen as director and general manager of Slough Newspaper Printers when he retires in June. Mr Gerry M. Hughes, currently director and general manager of Evening *Mail*, has been appointed director and general manager of Rawlings and Walsh, Chertsey, a division of Westminster Press. He will succeed Mr Graham Billings who has resigned.

Health Service workers reject 'divisive' 4% rise on basic rates

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE GOVERNMENT yesterday offered pay rises of 4 per cent to about 350,000 ancilliary and clerical workers in the National Health Service. The offers in line with the Government's public service cash limit pay provisions — were rejected immediately by the unions involved.

The offers to the 250,000 ancilliary workers and the 106,000 administrative and clerical staff were in reply to similar claims from the unions for rises in line with price inflation, put roughly at 12 per cent, shorter hours and longer holidays.

The management side of the ancilliary staffs' Whitley council told the unions it was prepared to make an offer within the 4 per cent cash limits. This excluded any improvement in annual leave or shorter hours.

Ancilliary workers, including hospital orderlies and labourers, now have basic rates of £59.05-£79.77, ranging across 18 pay grades.

The unions told the management side that they were not prepared to negotiate on the basis of a cash limit offer, and the meeting was adjourned.

Management representatives offered leaders of the clerical staff 4 per cent, with the distribution to be left up to future negotiation. The offer was rejected.

The main union representing the grades involved, the National and Local Government Officers' Association, will discuss it at a special meeting on Monday of its health committee, before probably putting it to a delegates conference.

Basic rates for clerical staff vary widely according to the jobs involved. There was a suggestion in the negotiations yesterday that the offer might be weighted to take account of prevailing market forces, and recruitment difficulties in some areas.

Rates include: clerical staff, £3,169-£4,394; shorthand typists, £3,497-£4,394; and higher grade executive officers, £5,826-£7,175.

Union leaders attacked both offers, portraying them as "divisive" in the light of the 6.4 per cent offer made to Britain's nurses.

Mr Michael Foot, the Labour Party leader, will meet leaders of health service workers on Monday when they lobby Parliament over their pay claims.

Gas unions may oppose last offer

BY JOHN LLOYD, LABOUR EDITOR

UNIONS in the gas industry are expected to reject a wage offer worth more than nine per cent at a delegates meeting next week.

The offer, which is in line with the mineworkers' and water workers' settlements, is said to discriminate against one section of the workforce which does not receive bonuses.

Mr John Edmonds, national energy officer for the General and Municipal Workers' Union, said yesterday that the offer from British Gas—described by the corporation as "final"—would give lower rises to about 15 per cent of the 40,000 manual workers who do not receive premium payments.

He said he expected that the delegate conference, called for next Wednesday to discuss the offer, will reject it. It is not clear whether a rejection would be followed by a call for industrial action or that it would go out to a ballot of the membership.

British Gas said last night that it gave rises on the basic rate of between 7.5 and 8 per cent, which flowed through to premium payments. Increases in holiday payments and other benefits bring the increase in the wages bill to more than 9 per cent.

The offer was raised on Wednesday from a previous offer of between 7.8 and 9.1 per cent on basic rates, which did not flow through to premium payments.

● Mr David Basnett, GMWU general secretary, said yesterday that the unions would put pressure on employers not to use the Employment Bill once it became law.

Appeal on sit-in at Bathgate

EDINBURGH Court of Session yesterday heard an appeal by Plessey against the lifting of an interim interdict which ordered the end of the sit-in at their Bathgate factory.

The sit-in began in January following Plessey's announcement that the plant was to close at the end of March with the loss of more than 300 jobs. Plessey was granted a court order to end the occupation on February 4 but this was recalled on February 26 by Lord Kincraig, who said the workers may have a defence under section 13 of the Trade Union and Labour Relations Act 1974 if their action was in furtherance of a trade dispute.

Yesterday Mr Alan Rodger, for Plessey, told Lord Emslie, Lord Cameron and Lord Avonside that the workers' action was simply a trespass on land occupied by Plessey. Therefore, even if the sit-in had the incidental effect of interfering with Plessey's trade, the protection of section 13 did not apply.

Mr Bruce Weir, QC, for the workers, said that even if the workers were not protected by section 13 the court would not be justified in imposing a new order because no material damage had been caused by the trespass.

Trains hit by protest

By Our Labour Staff

INTER-CITY services between London and the North-West were disrupted yesterday by unofficial industrial action by National Union of Railwaymen guards over the crucial productivity issue of flexible rostering.

About half of the Liverpool services were cut and inter-city trains to Birmingham and Carlisle were affected. Unofficial action by Merseyside guards also hit local trains in Liverpool.

Teachers set to increase pressure in pay dispute

BY OUR LABOUR EDITOR

TEACHERS' unions yesterday agreed to step up their industrial action to include half- and one-day stoppages, unless management agrees to refer their wage dispute to arbitration next week.

They agreed to defer a decision on implementing further action until next Friday as the management side will meet on Thursday. The present action is confined to stopping cover on lunch breaks.

The National Union of Teachers claimed yesterday that three more authorities—Dafyd, Clwyd and Lancashire—had come out in favour of arbitration. This brings the number of county councils supporting arbitration to 17, from a total of 47 members in the Conservative-controlled Association of County Councils.

Rest-time strike goes on at Talbot

By Arthur Smith, Midlands Correspondent

TALBOT, struggling to recover its share of the British market, is faced with a damaging strike by 190 paint-shop workers which already has halted production for a week.

The strikers voted unanimously yesterday to continue their action. No talks are planned with the management in what looks an increasingly-acrimonious dispute over relaxation time.

About 1,400 other workers have been laid off at the Ryton plant at Coventry, which assembles the Alpine/Solara and Horizon models.

Official backing for the strikers is being recommended by Mr William Lapworth, Midland divisional officer of the Transport and General Workers' Union. He accused Talbot management last night of "arrogance."

He said: "The company is merely copying the tactics of Sir Michael Edwardes, the BL chairman, in trying to blackmail people into working on management terms."

A group of paint-shop workers walked out on Monday. They were followed by all of their colleagues on Tuesday in protest at company plans to cut temporarily by eight minutes the [illegible] minutes' relaxation time allowed each day.

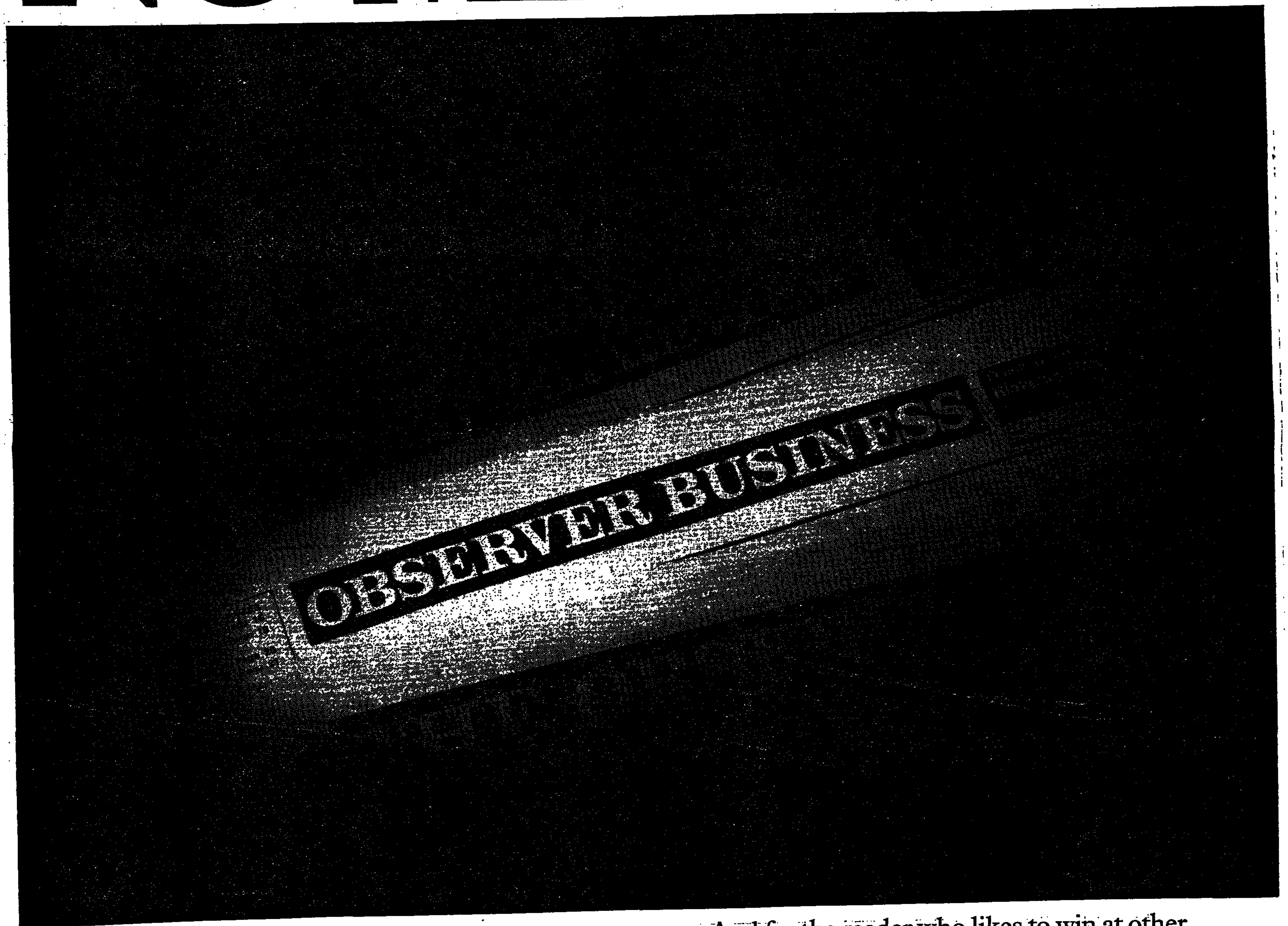
The company says it needs the reduction because 16 men had been transferred temporarily to a special night shift to clear a backlog of cars.

Talbot maintains that an agreement reached in [illegible] provided for rest periods of only 90 minutes, so that workers would be better off even under the temporary arrangement.

The company insisted that it had given workers full notice of the change and that the walk-out was in breach of the agreement. As soon as the men returned to work talks could take place.

Mr Lapworth for his part alleges that the company's stance is "high-handed." Once workers operated the reduced rest period, it would be too late to complain. The walk-out reflected the low morale at Ryton.

NO FT TOMORROW... NO MATTER.



There's no doubt, that for financial coverage from Monday to Saturday, the FT is superlative.

But on Sunday, where can the FT reader go?

Now, from tomorrow, The Observer is launching a bigger, and totally separate 'Observer Business' section.

Edited by William Keegan, it will give a complete up-date on the world of finance to people who don't stop thinking about business just because it's Sunday.

It will feature Melvyn Marckus as City Editor, Iain Carson from The Economist as Business Editor, and the effervescent John Davis as Fleet Street's first Investment Editor.

And for the reader who likes to win at other things besides business we have further good news.

From tomorrow, we're also launching a separate 'Observer Sport' section with star writers like Hugh McIlvanney, Peter Dobereiner, Clem Thomas and Chris Brasher, and coverage of every sport from squash to show jumping, horse racing to rowing.

And in the Observer Review, you'll still be able to read favourite columnists like Clive James and Katharine Whitehorn.

The new four-section Observer, with Colour Magazine. It's essential for anyone who wants to be really well-read on a Sunday.

THE WEEK IN THE MARKETS

The week the rules changed

LONDON
ONLOOKER

Some of the rules were changed this week, but the market games were still played mostly in the old way. Whatever he may have done for the real economy—wet and dry seem reconciled in mild approval—the Chancellor's Budget certainly promises to alter the structure of London's financial markets.

General availability of indexed gilts should eventually combine with the new indexation of capital gains tax to effect a widespread re-arrangement of portfolios.

That is mostly in the future. Equities did little this week — prices probably discount industrial recovery fully enough for the moment. The banking sector, indeed, dropped smartly back when the clearing banks were warned in the Budget against over-sheltering their earnings from tax. The gilt-edged market prolonged its good run, and bank base rates came down another half-point. As dollar interest rates were inched upwards, however, sterling wobbled below $1.80.

Cadbury's cash

Cadbury Schweppes has managed to push its 1981 pre-tax profits up 31.5 per cent to £80.6m, despite flat volume trends in many of its divisions and a sacrifice of market share in the UK confectionery business. Over half the improvement results from translation gains and the use of last year's rights issue proceeds. So the underlying trend is rather less flattering and, after a significantly higher tax rate, earnings per share have actually shown a slight fall.

That has not deterred Cadbury from bumping up its dividend by 12 per cent and oozing confidence about the current year. In its own support, Cadbury can point to an improvement in trading profits from all areas except Europe. Operating cash flow has comfortably accommodated capital spending of £77m and higher promotional costs. The company has spent heavily on rationalising its UK operations but provision has been made in the latest accounts for future expenditure up to 1985. So there will be some benefit at the attributable level this year and the tax rate should begin to fall.

Whether the bounce will be sufficient to drive the Cadbury share price off its current plateau of about 100p is another matter. The re-rating of the shares which accompanied the group's change of product strategy has more or less run its course and shareholders will be looking for signs that the crucial U.S. market is moving Cadbury's way. The Peter Paul confectionery division picked up in the second half and the acquisition of Duffy-Mott for $60m could look a shrewd move two years from now, but the trading pattern in North America is still not very consistent.

Huntley's riposte

Once again, it is not what Huntley and Palmer Foods is saying about itself that is now keeping its share price above the level implied by Rowntree Mackintosh's unwanted £75m cash and equity bid, it is what third parties are thinking, or reputed to be thinking.

When after a great deal of skirmishing Rowntree finally revealed its hand in January, and pitched an offer worth about 105p per share, Allied Lyons was thought to be on the sidelines and it was the possibility that the beer and ice cream giant would counter which kept Huntley's shares tantalisingly out of reach.

As the bid comes up to its first deadline next Thursday, Allied looks to be firmly out of the running (although nobody should be ruled out completely).

Then it was Cadbury Schweppes which was tipped to throw its hat into the ring. Perhaps it will, although it is one thing for Sir Adrian Cadbury to reflect that the Huntley bid looks "interesting" in response to direct questioning at a press conference and quite another to lay out the £80m plus which it is going to take to dislodge Rowntree.

An American white knight is, at least, on the skyline. Nabisco Brands has announced "exploratory" talks with Huntley although it is by no means certain as yet whether the U.S. owned the Walkers crips, Ritz biscuits and Shredded Wheat Group will get so far as to put any terms down in black and white.

Huntley's defence document to Rowntree, issued during the week, was rather longer on argument than on numbers. The gist of the argument is that Huntley has powerful brands which are worth a lot more money than the bidder is putting up. It has rationalised hard and the benefits will be coming through this year and next. It claims to have spent adequately on plant and promotion, despite Rowntree's criticisms, and bundled a lot of statistics together to prove it.

The figures themselves, though, were disappointing. Pre-tax profits last year came down from £7.23m to £6.3m before extraordinary pruning costs of £1.1m and there is no attempt to forecast for 1982 beyond a vague promise that the outcome will be "satisfactory."

TI traumas

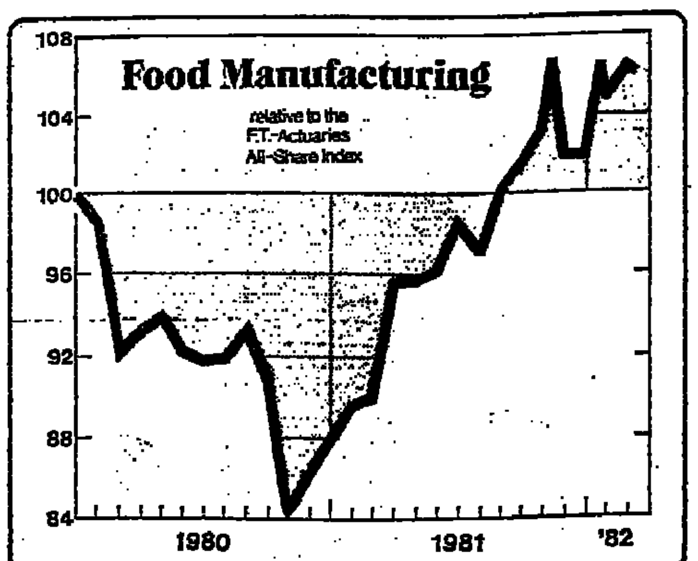
Wednesday's announcement of a £23.1m pre-tax loss from Tube Investments coincided with a one-day London Transport strike which tied London in knots for hours. The next morning, however, both Tube traumas were nearly forgotten. The train drivers were back at work and TI shares were climbing.

The shares gained 14p at the week's end to reach 138p. TI now appears to be heading in the right direction: the shares could well continue to follow suit. Today's price is still less than a third of what it was in 1979 when TI's pre-tax profits were £51.9m.

TI won't be returning to anything near that figure for a while, but further recovery this year seems a reasonable expectation. TI's second half pre-tax loss was £9.4m, less than half the first half deficit of £23.1m, which was struck after taking out the benefit on the sale of Bridgewater House. And the second half losses took in abnormal results from British Aluminium.

BA this year could well begin to trade profitably: the closure of the Invergordon smelter will lead to a £20m loss-elimination. The chairman of Alcan Aluminium (UK), which this week reported a £25.7m pre-tax loss for 1981, said the company was expected to break even this year.

TI's improvement so far has been due to drastic surgery which has reduced its UK work-



force by 30 per cent. The company has been keeping a close eye on cash—a £64m reduction in working capital during 1981 helped to limit the cash outflow to £33m despite the purchase of King Fifth Wheel. Although demand in the UK has yet to show any new signs of life, stocks throughout the group appear to be under control.

BTR bounce

As the company's advertisements claim, BTR does indeed stand for growth. The diversified industrial holding company, with interests in energy, engineering, materials handling, plastics and rubber, increased its profits last year for the 15th year in a row.

Despite a recession that knocked the group's UK profits by £4m to £26m, overall pre-tax profits advanced 28 per cent to £90.1m and the return on net capital employed remained above 25 per cent.

At the operating level, the largest single factor in the £24.4m increase was inflation accounting for £8.2m but organic growth accounted for £5.5m after allowing for the UK downturn and new acquisitions brought in an additional £5.7m. Favourable exchange rates added £5m.

The group's talent for extracting glamorous profits from unglamorous businesses has once again been demonstrated, particularly in the 80 per cent increase in profits from North and South America. The 1980 acquisition of Huyck Corporation, a manufacturer of fabric belts for paper-making machines, contributed significantly to this outstanding performance.

BTR's growth has been financed in part by four rights issues in the past six years. It is now more than 18 months since the last one raised £60m and shareholders might be wondering if another one is just around the corner.

But it looks unlikely. Capital gearing is a comfortable 47 per cent and there is apparently no acquisition in the pipeline. Moreover, it is hoped that the £27m which has been pruned from UK operating costs in the past two years should reverse the profit trend in this country. And, if the Monopolies Commission permits, last autumn's acquisition, Serck, should start contributing. Another year of strong growth seems in store, and analysts are looking for profits of about £110m.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1981-82 High	1981-82 Low	
F.T. Ind. Ord. Index	566.9	+ 6.2	558.6	446.0	Bank lending rates cut
Treas. 2½% I-L (£35pd)	£48½	+12 1/16	£49	£35	Buying restrictions lifted
Air Call	280	+40	280	143	Persistent support
Anglo American Corp.	455	−70	815	445	De Beers figs./weak gold & rand
Anglo American Gold	£28¼	− 3	£51⅛	£27⅝	Lower profits and div./weak gold
Assoc. Comms. "A"	107	+13	108	39	Increased bid
Barratt Devs.	280	+18	285	104	Lower int. rates/½-yr. figs Monday
De Beers Dfd.	237	−66	422	227	Sharply reduced profits and div.
Fisher (Albert)	48	+11½	49½	10¼	Bid hopes
GUS A	507	+22	510	355	Investment support
Greenfields Leisure	24	+ 5	49	19	Trading improvement
HTV N/V	138	+12	146	74	Interim profits doubled
Home Charm	159	+14	159	91	Budget boost for DIYs
Huntley and Palmer	112	+10	114	46	Bid talks with Nabisco
Kwik-Fit	53	+ 9	112	43	Recovery hopes
London Brick	90	+11½	90	58	Budget fillip for builders
Mucklow (A. and J.)	96	+16	125	75	Interim results due Thursday
Scott (David)	24½	+ 7	29	14	Dawn raid
Sonic Sound	118	+18	118	78	Press comment
Standard Telephones	521	+66	545	365	In front of and after results

A rolling bottom?

NEW YORK
PAUL BETTS

THE STOCK MARKET'S bottom became the talk of Wall Street this week. Has the Dow finally fallen on its bottom? Some asked. No, others said. "It's a rotating or rolling bottom." Most major bottoms are preceded or accompanied by diminished activity, others mused.

As for the Prudential Insurance Company of America, which with $50bn worth of assets has more money than any one else to invest in the stock market, bottoms are purely academic because the market, in any case, is not going anywhere in any great hurry. The Pru (originally modelled on but no relation to the British Pru) is said to place $30m every day in one form of investment or other from real estate, to diamonds or oil wells, or, for that matter, stocks and bonds.

At its annual treat for the financial Press in an exclusive restaurant in the middle of Central Park, the Pru dished out nifty retractible measuring tapes—the ones you use when wall papering—to all present. The Pru explained that since it had become so difficult to measure market performance, it felt the device was as good as any. In a slightly more serious vein, it suggested that the stock market, measured by the Dow Industrial Index, would probably remain flat for the rest of the year because of the continuing anxieties about U.S. interest rates and Federal deficits.

After another horrible session on Monday, when the Dow fell below 800 and hit a new 23-month low, the stock market did attempt a technical rally of sorts. But it turned out to be a pretty feeble effort and by yesterday morning stocks were being battered again. Trading volume continues to be extremely heavy and the market, which gives the impression of simply not knowing where it's going, can turn full circle in a matter of hours. It will be rallying fo the first part of a day's session, it will suddenly crash, and by the close will pick up sufficiently for the experts to pronounce it was a mixed session. This has been the classic pattern in recent days.

The market had every reason to rejoice yesterday morning. The Labour Department reported on Friday the best inflation news in six years with the Producer Price Index declining 0.1 per cent in February for the first time since February, 1976. But the market appeared totally oblivious and was down about five points after barely two hours of trading. Basically, the market is no longer interested in inflation. It is now assuming that inflation is coming under control and instead is worrying about Federal budgets, interest rates and corporate earnings.

Wall Street's general attitude is proving extremely frustrating for Mr Donald Regan, the Treasury Secretary. He was appealing to the market this week to show a little more support for President Reagan's economic policies. But the market found this appeal to forego its better business judgment somewhat ironic coming from the former head of Merrill Lynch.

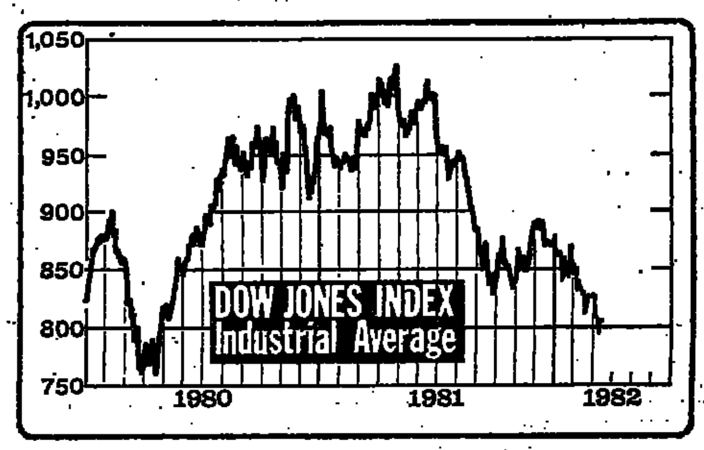
Among the biggest losers in recent days are the high technology stocks. Computer companies have indicated that revenues and orders are not meeting expectations. Last week, Data General dropped as many as 10 points in one session. This week it was Honeywell's turn. The company, like Data General, came out with a statement forecasting lower first quarter earnings because of disappointing computer revenues, and the stock dropped more than five points on Thursday. This rubbed off on other high tech stocks with Teledyne dropping nearly five points in the same session, Digital Equipment more than 2 points, Burroughs 1½ points.

But RCA, the troubled conglomerate which recently cut its regular quarterly dividend for the first time in its history, enjoyed a brief return to glamour this week. Bendix announced it had acquired secretly in the open market a block of more than 7 per cent of RCA stock. With speculation mounting that Bendix, like a flashy rocker chasing an ageing star, was seeking to take over RCA, the conglomerate's stock led the most active list on two consecutive days and gained more than two points.

This week also marked the end of the U.S. Steel-Marathon saga. Marathon shareholders voted on Thursday by the necessary two-thirds majority in favour of the mega-dollar merger despite some dissident shareholders objecting to the notes part of the U.S. Steel offer. They claimed the U.S. Steel notes represented a grossly inadequate price for Marathon shares.

In this kind of atmosphere, bottoms are really the only game in town.

MONDAY	795.47	−11.89
TUESDAY	803.84	+ 8.37
WEDNESDAY	804.89	+ 1.05
THURSDAY	805.56	+ 0.67



No protection for garage

FINANCE AND THE FAMILY
BY OUR LEGAL STAFF

Since 1947 I have been renting a lockup garage on a consecutive three monthly rental agreement, with three months' notice either side. In June 1981 the lessors cancelled my agreement. Three months later I received a one monthly agreement for the garage with a notice to quit on a daily basis. I need the garage for my livelihood. Can I ask the lessors to continue with the existing agreement which I have held for the past 35 years?

If your lockup garage is only used to garage a car you have no statutory or other protection and must vacate once the proper notice has been served. You should, therefore, try to negotiate for a monthly tenancy with the usual month's notice to quit. If you occupy the garage for the purpose of a business carried on by you the position would be different.

Restrictions in a conveyance

In 1872 a piece of land in a village in this area was conveyed to trustees upon trust to erect a building and after to let and to use such building for such laudable and useful purposes as the trustees for the time being shall approve, but with several puritanical restrictions. The present trustees would like to obtain a grant as a village hall but apparently this is not possible until the restrictions contained in the 1872 Conveyance are removed. Do the present trustees have power to remove the restrictions in question, and if so how? What would be the liability of the present trustees if the hall fell into disrepair and had to be demolished?

Unless the trust instrument expressly so provides the trustees cannot alter the terms of the trust. Any attempt to do that would have to be made by an application to the Courts, assuming that the beneficiaries are not all ascertained and sui juris. If the trust fund is insufficient to keep the hall in repair the trustees would not be liable for failing to keep it in repair or for not preventing its demolition.

Non-resident's tax exemption

I have been not resident and not ordinarily resident in the UK for rather more than 14 years, and have made no tax returns on my own of any kind to the Revenue since my departure. My branch of a clearing bank in London has placed various foreign currency deposits on my behalf with one of its City branches since May 1979, and has failed to inform that branch of my residential status. As a result, the revenue has apparently been informed of interest paid to me of anything up to about £4,000. Is it not correct that a UK bank is under no legal obligation to make a return to the revenue authority on interest paid upon a UK deposit account to a person in my position? Is there some extra statutory concession which exempts from tax liability?

In reply to your last question, if you write to the Inland Revenue Public Enquiry Room, Somerset House, Strand, London, England WC2R 1LB, asking for a copy of the free booklet of extrastatutory concessions (IR1), you should find that concession B13 lets you off the hook, from what you say.

The bank did not make a mistake in reporting your interest: there is no automatic release from the obligation to report interest merely because the depositor lives overseas. For the future, you should write to the manager of each branch where you have money on deposit, formally declaring that you are beneficially entitled to the interest on the accounts in your name and that you are not ordinarily resident in the UK, and formally requesting that the interest on your accounts be not included in any return under section 17 of the Taxes Management Act 1970, in accordance with subsection 4 of that section.

The reporting of bank interest does not affect the question of the depositor's UK tax liability.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

The Jupiter Effect

MINING
KENNETH MARSTON

EVERY 179 YEARS, the heavens stage one of their curiosities. All the major planets—Mercury, Venus, Earth, Mars, Jupiter and Saturn—position themselves in the same quarter of the sky, that is, on the same side of the sun. It is called The Jupiter Effect.

Such phenomena provide a ready excuse for predictions of dire and strange events on earth, much to the scorn of the astronomers. The fact remains, however, that The Jupiter Effect has brought the planets to their closest points this week.

And on Tuesday the unthinkable occurred. De Beers cut its dividend for the first time in 37 years.

The halving in the South African-based diamond giant's final dividend for 1981 to 25 cents (13.8p), making a total of 50 cents against 75 cents for 1980, threw the share market into confusion.

In London, De Beers dropped 63p to a 1981-82 low of 230p at one time while the associated Anglo American Corporation lost 40p to 455p, Anglo American Investment Trust (Anamint) came back £4¼ to £28¼. Minerals and Resources Corporation, which holds 10 per cent of Anamint, retreated 53p to 290p.

De Beers made no comment preferring to let the accompanying 1981 profit figures speak for themselves. In view of the weakness of the diamond market they were pretty well what had been expected with a fall at the net attributable level of R628.3m (£340.3m), equal to 174.6 cents per share, from R818.2m in 1980.

The main reason for the dividend cut, however, is that far from being the treasurer for the Anglo American group, De Beers is now getting strapped for cash. This is because its Central Selling Organisation, which handles the marketing and pricing for over 80 per cent of world diamond production, buys a guaranteed minimum output from the mines, whatever the state of the market.

CSO sales of these rough (uncut) diamonds are then regulated to the cutting and polishing trade in an orderly fashion: the prices charged are never reduced. But it means that at times of weak demand such as this, the CSO has to carry a big stockpile of unsold diamonds.

Last year CSO sales (made in U.S. dollars) dropped 46 per cent to a value of $1.47bn (£812m), while the latter's stocks doubled to a value of R1.4bn (£758m). In order to finance this huge stockpile De Beers has had to borrow R200.6m from an associated company, believed to be Anglo American Corporation.

The world diamond market, which has been hit by previous over-stocking at the cutting centres, high interest rates and the effects of the general recession, remains depressed. The more expensive stones, such as those in the investment category, are especially affected although the cheaper goods are selling well.

Little wonder, then, that De Beers has had to tighten its belt, particularly as the important income from the gold mining investments can be expected to fall this year.

That aspect of things will be important for Anglo American Gold Investment (Amgold) which has announced profits for the year to February 28 of R246.3m compared with R314.9m in the previous 12 months.

Amgold's dividend for the past year of 1,000 cents compared with 1,150 cents for 1980-1981 takes nearly all the latest earnings. So with gold mine earnings and dividends continuing to slide down with the bullion price—which sank to a 2½-year low of $323 per ounce yesterday—Amgold is heading for a more severe fall in earnings this year.

The effects of last year's fall in the gold price on earnings of the South African mines was cushioned by the weakness of the country's rand against the U.S. dollar in which gold sales are made. In other words, the dollars received for the gold sales were worth more in terms of rands under the exchange rate.

Since January of last year the rand has fallen by about 25 per cent in value against the dollar and this week the rand slipped below parity with the U.S. currency unit for the first time.

The South African authorities may now step up their efforts to stem this decline and, if they are successful, it will mean that the gold mines will feel the full brunt of the fall in bullion prices.

Meanwhile, mining costs continue to rise and our table this week of the average costs per ounce of gold produced by individual mines in the December quarter of last year shows that several operations are now falling below break-even level.

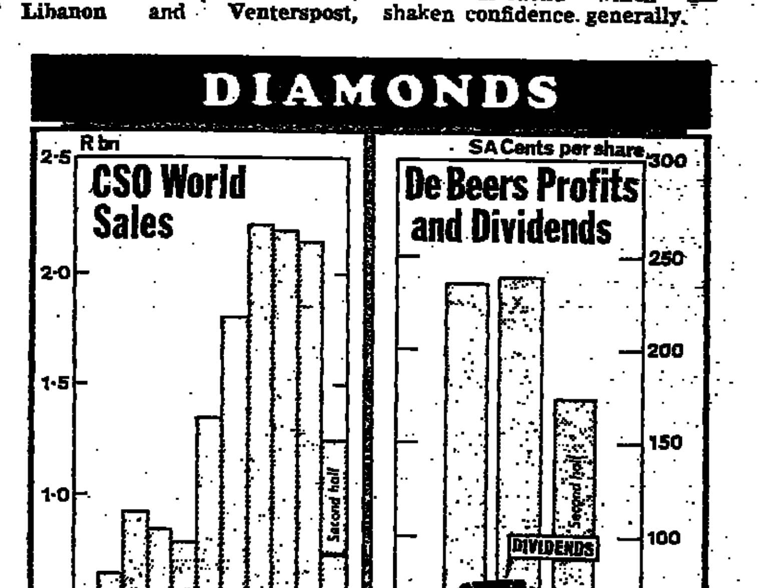
They must also face the outcome of new wage negotiations which have a 15 per cent increase as a starting point.

It thus looks as though the South African Government is facing the cost of extending the State assistance scheme to a growing number of mines. This will be a burden now that the country's economy is turning down—a tough budget is expected on March 24—but the Government will be anxious to avoid mine closures which would lead to increased unemployment among black workers.

It is thus being suggested that some formula may be devised for mergers between the more profitable mines and those that are feeling the pinch. Possible candidates include Randfontein and Western Areas, Libanon and Venterspost, Doornfontein and Deelkraal, Western Deep and Elandsrand, Bracken and Leslie.

At all events, the South African gold mining industry is facing a tough time and the shares are best left alone. Nor is life going to be very easy for the diversified mining and industrial finance houses, although those with important coal interests, such as General Mining Union Corporation and Anglo American Coal Corporation, should be better placed to weather the harder times.

Eventually gold, and diamonds, will come back into favour. But for the near future, at least, the South Africans are going to live with the repercussions of The Jupiter Effect and the fallen bastion of the De Beers' dividend which has shaken confidence generally.



MINE OPERATING COSTS PER OUNCE OF GOLD PRODUCED

Driefontein	$110	Libanon	$219
Kloof	$116	Stilfontein	$228
Southvaal	$135	Grootvlei	$239
Winkelhaak	$141	Hartbeest	$243
W. Deep	$146	W. Holdings	$255
St. Helena	$156	Bracken	$289
Unisel	$156	Harmony	$310
Blyvoor	$184	Durban Deep	$311
Kinross	$186	Marievale	$316
Vaal Reefs	$186	Leslie	$320
Randfont	$189	Deelkraal	$352
Pres. Brand	$191	W. Areas	$361
F. S. Geduld	$198	Venterspost	$370
Doornfont	$203	Loraine	$392
Buffels	$206	ERPM	$414
ERGO	$209	Elandsrand	$418
Pres. Steyn	$218	W. Rand Cons	$550

YOUR SAVINGS AND INVESTMENTS—1

The story of Tony, Elizabeth, Yvette and George, by **Rosemary Burr**

Family fortunes after taxing Tuesday

ON TUESDAY Anthony Chesterton had a bet with his wife Elizabeth that the couple would be better off after the Budget. Scenting victory Anthony, the finance director of Silichip, gets up at seven am the next day and armed with a calculator and mug of coffee sets about doing the sums.

Anthony and Elizabeth work for the same company. The couple have two children and a mother's help they think that nanny is too old-fashioned a word. A few years ago Elizabeth decided to go back to work and joined the advertising department at Silichip where her salary is £6,000.

Anthony's salary is £25,000 and as he travels round the country keeping the wheels turning smoothly at Silichip, he has a company car. He also benefits from medical cover, although nowadays that is not allowable against income tax.

As well as her salary Elizabeth gets £4,000 a year from a settlement set up on her behalf by an aunt. Most weekends she spends a lot of time at the local pottery and she is always saying that sooner or later she wants to set up a small shop selling hand-made pots and tapestries.

The couple live in a flat with a gorgeous view of Richmond Park. They have a joint mortgage of £25,000 which is currently at 15 per cent. Although it is in both their names, Anthony makes the interest payments so that all the interest is set against his taxable income which bears higher rates of tax than Elizabeth.

After consulting their accountants, McCawber, Chancellor and Partners, the couple opted to be taxed separately after Elizabeth went back to work as this saved an extra few hundred pounds from the tax man's grasps.

Two mugs of coffee later, Anthony's mind is starting to register the figures on the paper he scrawled the night before. He decides to look at the couple's position before the Budget and afterwards, assuming the company's current pay freeze. Anthony has seen the company's recent sales figures and is confident the freeze will be lifted, so he also works out how the couple will fare if they both get a 10 per cent rise.

Anthony is a little surprised to find his taxable income remains virtually unchanged after the Budget despite the 14 per cent increase in his personal allowance. This is because the rise in personal allowance is almost equal to the increase in his car benefit. Still, when it comes to the bottom line his tax bill is reduced by some £515 because a lower proportion of his income is now taxable at the higher rates. Even so, Anthony has to cough up more national insurance as a result of the Chancellor's November mini-Budget, so the £515 gain is whittled down to £340.

Although he is not a smoker or a fan of one-armed bandits, Anthony realises that the increased duties on drink and petrol are likely to cost them around £50 in a full year.

Still Anthony is well-satisfied. He is half-way to winning the bet with Elizabeth. A few minutes later, he is feeling rather less content. After double-checking his calculations, he realises his wife will benefit from the Budget to the tune of no more than £3.

His wife's poor deal reflects the rise in her National Insurance contributions which exceed the reduction in her tax bill.

Anthony does not dwell too long on this injustice as he is sure the board will agree to a 10 per cent pay rise. So he sets to his calculator again. A 10 per cent increase in his salary will he finds result in a 9.6 per cent rise in his tax bill and National Insurance. So in his income bracket the tax system is not all progressive. But worse is to come. A rise of similar proportions for Elizabeth will increase her tax and national insurance payments by 12.75 per cent. Perhaps she will set up the much-talked-about shop, he muses.

All in all Anthony does not think the Budget has done much to help his family fortunes. Perhaps, he thinks, there is something he has missed. He glances at the seemingly endless pages of a Budget news, analysis and comment in the papers. He has only read the headlines and leading articles, so picks up the phone to his accountant, George.

George is in a good mood as usual after the Budget as the combination of the Chancellor's speech and the end of the tax year keeps the phone ringing and fees clocking up. He has already given the Chestertons' case some thought and has four suggestions.

'There ought to be a Government warning on every Budget—*THIS BUDGET could endanger your marriage*'

● First, Elizabeth's mother should increase her gross covenanted payments to each of the two children from £1,375 to £1,565. This would add up to an extra tax repayment of £57 per child.

● Second, reduce the wages of the mother's help, Yvette. In 1981/82 she was paid £30 per week but after tax and national insurance, she was left with £26.60. Anthony and Elizabeth also had to pay employers' contributions of £4.10. If in 1982/83 Yvette's wages are reduced to £29 she will not pay tax or national insurance and no employers' national insurance will be payable as her weekly wage will not reach the new lower earnings limit of £29.50 introduced in the mini-Budget. So everybody will be better off —except the Chancellor of the Exchequer.

● Third, George thinks they might finally be able to do something about Elizabeth's settlement. The income from the settlement comes from the rent of a house, let out to visiting overseas businessmen. The house was bought in 1965 for £20,000. Its current value is around £70,000 and the present tenancy will shortly end. Following the Budget George hopes Elizabeth and the trustees may be able to take advantage of roll-over relief; this would mean the gain arising to the trustees *would not crystallize until* Elizabeth sold the house. However, George does not want to be pinned down on this point until he has read the fine print in the Finance Bill. If the roll-over relief is applicable it would mean for capital gains tax purposes Elizabeth could acquire the house from the trust at its original cost of £20,000.

If Anthony and Elizabeth are prepared to move into the house and establish residency there, they could elect to treat the house as their main residence for Capital Gains Tax (CGT) purposes. George is a bit vague about how long the couple would have to live in the house as he says there are no firm rules. When the house is sold, the gain on the house could then be covered by the main residence exemption and no CGT would be payable.

● Fourth, George asks Anthony how he would feel if Elizabeth finally took the plunge and set up her crafts shop? Anthony says he is quite keen on the idea but wonders how George knows all about it. Apparently Elizabeth cornered George at a cocktail party a week ago and cross-questioned him on setting up a business.

George is all in favour of the move. Although Elizabeth will obviously need some capital, if she buys her stock and starts business before April 6, any losses in the first year can be offset against Anthony's earnings in 1978/79 reducing the proportion of his earnings taxed at the higher rate. There will also be interest payable by the Revenue on the tax refund, which might mean most of the initial expenditure would be funded by the Revenue.

George is still rabbitting on about new business relief, industrial buildings and oil and gas wells as tax shelters but Anthony thinks he has heard enough for one morning. So he brings the conversation to a halt and wishes George a prosperous new tax year.

By now the house is full of life and noise. Anthony wonders how he is going to explain the niceties of the British tax system to the French mother's help. "Well?" says Elizabeth, "who has won?" "I did by a short head," says Anthony, "but if you agree to set up your shop, I promise I'll spend my winnings on opening day."

HUSBAND'S TAX AND NATIONAL INSURANCE

	Pre-Budget	Post-Budget No pay rise	Post-Budget 10% pay rise
	(a) 1981/2 £	(b) 1982/3 £	(c) 1982/3 £
Salary	25,000	25,000	27,500
Car benefit*	675	810	810
Medical cover	125	125	125
Total emoluments	25,800	25,935	28,435
Wife's settlement income	4,000	4,000	4,000
Less mortgage interest	(3,750)	(3,750)	(3,750)
Total income	26,050	26,185	28,685
Less personal allowance (single)	(1,375)	(1,565)	(1,565)
Taxable income	24,675	24,620	27,120
Total income tax	9,834	9,320	10,661
National Insurance contracted-out rate (max.)	581	753	753
Total tax and N.I.	10,415	10,073	11,414

WIFE'S TAX AND NATIONAL INSURANCE

	(a) 1981/2 £	(b) 1982/3 £	(c) 1982/3 £
Salary	6,000	6,000	6,600
Less wife's earning allowance	(1,375)	(1,565)	(1,565)
Taxable	4,625	4,435	5,035
Tax @ 30 per cent	1,387	1,330	1,510
N.I. not-contracted-out rate†	485	525	578
Total tax and N.I.	1,852	1,855	2,088

* The scale benefits applicable to the company car for 1981/2 and 1982/3 are £450 and £540 respectively but the actual taxable benefit is 1½ times these amounts as the mileage is less than 2,500.

† Elizabeth's National Insurance contributions are at the non-contracted-out rate as she is not in the pension scheme and not entitled to the married-woman reduced rate, having gone back to work only at the start of 1981.

Source: Touche Ross & Co.

Home, sweeter home . . .

IT HAS been a week of better news for home owners. Building society mortgage rates have been cut and the Chancellor has announced a series of measures increasing levels of home improvement and loft insulation grants.

Two out of the four categories of home improvement grants will benefit from the changes announced in the Budget. The increases affect the basic repair grant and intermediate grants to cover the cost of providing basic standard amenities such as inside toilets and hot and cold water supply.

● Repair grants: These apply to pre-1919 houses with rateable values of no more than £400 in Greater London and £225 elsewhere. They are designed to cover the cost of substantial structural repairs such as improvements to roofs, walls, floors or foundations.

The latest increase means that grants will cover 90 per cent of eligible costs—these are defined as £5,500 in Greater London and £4,000 elsewhere. Previously grants covered 75 per cent of eligible costs. The increase will only cover applications made this year. Applications should be made through local authorities. However, whether a grant is made and the amount of money provided is up to the discretion of the local authority.

● Intermediate Grants: This is the only category of home improvement grants that is mandatory. These apply to homes built or converted before October 1961 and carry the same rateable value provisions as basic repair grants. They cover the cost of providing basic standard amenities.

The provision of each amenity carries its own eligible expense limit. For example, £375 for fixed bath or shower and £315 to provide hot and cold water to a kitchen sink. The maximum expense limit for grant related works is £2,500 in Greater London and £1,900 elsewhere.

The increases mean that grants made this year will cover 90 per cent of eligible expenses instead of 75 per cent as previously.

People applying for intermediate grants can also get an additional sum to cover the cost of associated work needed to put a home into a reasonable state of repair. The grant now covers 90 per cent of eligible expenses limits for associated repair work. The maximum eligible expense limit for this work is £3,500 in Greater London and £2,500 elsewhere.

Grants not affected by the Budget include those associated with house conversion into two or more dwellings and special grants affecting hostels and other houses in multiple occupation.

The benefits of conversion grants should not be ignored. These can be twice as much as Intermediate Grants but are at the local authority's discretion. Properties should also have a rateable value of not more than £600 in Greater London and £350 elsewhere.

The size of the grant can vary considerably depending on where the building is situated and its condition. The grant is paid on each new dwelling created.

The grants depend on a number of qualifying factors but the maximum per new dwelling is £9,975 in Greater London and £7,350 elsewhere.

The Chancellor has improved the level of grants for loft insulation. The maximum level of grant for the elderly and disabled rises from £90 to £95 and for others from £65 to £69.

A useful guide on home improvement grant is Housing Grants by Nigel Hawkins published by Kogan Page.

Andrew Taylor

YOUR SAVINGS AND INVESTMENTS—2

Eric Short reports on one of the effects of the change in Capital Gains Tax

A little boost for life insurance business

THE CAPITAL GAINS Tax concessions will mean higher returns to investors saving through life assurance contracts. Those with traditional with-profit contracts can expect small but significant increases in their bonus rates. Those with unit-linked schemes can expect their return boosted from higher unit prices.

The new CGT proposals remove the effects of inflation from the computation of capital gains. In future the tax will be largely restricted to real gains only. This will boost direct yields through lower CGT payments, and indirectly assist, by allowing the investment manager more flexibility.

Investors holding unit-linked contracts should see an immediate benefit, because the calculation of the unit price allows for a future CGT liability. This should progressively fall as the new concessions bite.

Not surprisingly, the life assurance industry has welcomed the proposals. But for those linked-life companies *which are not members of the* Life Offices' Association, these CGT concessions have particular marketing significance on the methods of selling linked life single premium bonds.

If an investor buys a bond direct from a life company, then he is subject to a higher rate tax on the profit made each time he takes cash from the bond, no matter how small the profit. The increase in tax thresholds reflect the effects of *inflation, so this change* is broadly a neutral one for bond investors.

But if the investor buys his bond "second hand" from an intermediary, then under present tax laws this is regarded as buying goods, not a bond, and the profit on each cash-in is taxed as on the capital gain, under CGT rules as with the sale of any other asset.

Such a procedure could be more tax efficient to the higher rate taxpayer even under the old method. Now, under the new system investors need not pay any tax at all unless they make very substantial encashments at one time. Most experts consider that if the investor has bought a bond to provide regular income, the new CGT rules will ensure that income is tax free.

Under the second-hand bond marketing system, the insurance intermediary sells bonds in exactly the same manner that a grocer sells baked beans —literally from the shelf.

The intermediary buys bonds in advance from the life company at a nominal amount—say £250 per bond. Investment is made in a cash fund where the unit price is guaranteed not to fall, so the bond does not drop in value.

When an investor wants a bond, the intermediary sells him one from his stock, either at the price he paid, or at the current value of the bond—a slightly higher value depending on short term interest rates over the period the intermediary has held the bond.

These bonds carry the option for the holder to increase his investment in the bond at any time, by any amount and to switch into the range of funds available—equity, property and fixed interest.

So an investor wishing to invest £10,000 buys a bond for, *say, £250 and uses the option* to pay the balance of £9,750 to the life company. The intermediary is credited with the full commission on the £10,000 investment.

The intermediary has to make sure that at the time he buys the bonds he does not know who will buy which particular bond from him. So he must never run out of stock. And it helps if he buys bonds from a few life companies.

Such a scheme is highly artificial and somewhat illogical. What logical justification can there be for different tax treatment for a bond bought direct from a life company and one bought from a third person?

Sir Geoffrey Howe, in his Budget speech, attacked artificial avoidance schemes in general and listed six schemes against which he proposed to take action or was considering the situation.

But no life assurance scheme was included in his list and the life companies in this field have taken the absence of any red light as Sir Geoffrey showing a green light. At a conference held on Wednesday by Trident Life Assurance (not a member of the LOA) intermediaries expressed enthusiasm for marketing second-hand bonds following the CGT concession. Life companies concerned have indicated that they intend to *market second-hand bonds* more aggressively.

But this will be done by the field force servicing intermediaries and not by widespread advertising. The Inland Revenue is aware of these schemes, but has no idea of the extent to which they are marketed. And the life companies cannot, or will not, make sales figures available of second-hand bonds.

However, Julian Gibbs Associates, a member of the Reed Stenhouse Group, claims to have sold around £1m in second-hand bonds to higher rate taxpaying *clients seeking income.*

Skandia Life Assurance and Merchant Investors Assurance have devised a different style of bond construction again in a highly artificial form that makes the bond virtually tax free on all occasions. Both companies withdrew their bonds ahead of the Budget, but in the absence of any action relaunched them immediately after. Skandia Life markets its bond selectively to higher rate taxpaying investors, but Merchant Investors is more aggressive and highly successful. Julian Gibbs has sold £1¼m of these bonds.

The LOA actively discourages its member companies from using artificial schemes in their product construction. Hambro *Life and other* linked companies within the LOA feel that the Revenue can still take action against such schemes.

It has not given the green light. But if sales of second hand bonds continue to dominate the top end of the market, they may have to reconsider.

A bit more for the workers

THE RULES on buying a piece of one's company have been loosened a bit further by the Chancellor, who remains a keen promoter of employee share schemes.

His major concessions two years ago led to a mushrooming of the schemes. From only 30 then, there are now 405 schemes and many more in the pipeline awaiting Inland Revenue approval. Tuesday's changes won't lead to a similar boom, but they will make it easier for an executive to take a larger stake in his or her company.

At present, there are two methods of granting shares to employees which are not fully liable to tax. Under the first method, an employee is issued free shares in the company which are held by trustees and cannot be sold for at least two years. Sir Geoffrey has now proposed to increase the limit on the value of shares allotable to an employee in one year under such schemes to £1,250 from £1,000.

The other method is a savings-related share option scheme, which the Chancellor did not propose to alter.

Instead, the Chancellor acted to spread the tax burden for employees participating in share option schemes. These schemes, which are usually set up exclusively for top-level executives, allow participants to reserve the right to buy shares at a fixed rate sometime in the future. If the shares gain in value by the time the employee exercises the right to buy, then he or she is liable to income tax on the difference.

Sir Geoffrey has now proposed that this tax liability be broken into three equal parts and be paid over three years.

"This change should allow executives to hold *on to more* shares when their options become due," said Mr Christopher Bedford, the company secretary of Northern Foods. As Mr Bedford and others explain, many executives will sell a chunk of their newly acquired shares in order to pay taxes on the gain in value. With the tax liability spread out, some will be able to afford to keep more shares.

"From a personal cash flow point of view, it will be a help. I would also guess it will make employees less inhibited in taking up options," said Mr Bedford.

The higher limit on the value of shares allotable to employees under profit-sharing schemes was regarded as less significant by finance directors. Most employees receive shares in proportion to their salaries and this usually works out to less than £1,000.

"It's really just updating the scheme; keeping it in line with inflation," said an executive at ICI. "It won't make much change to most of our employees." Northern Foods said an average employee receiving profit-sharing gets about £200 worth of shares a year, although the amounts can vary widely. "People affected by the raised limit will be very senior people," said Mr Bedford.

The Chancellor's remarks, however, should aid efforts to boost employee interest in share option and SAYE schemes. Directors say they must work hard to widen employee participation in these programmes. Tate & Lyle, for example, has just initiated a SAYE share scheme and says the take-up throughout the whole UK division was only 7 per cent. "And other companies have had far worse results than us," said an executive.

BAT Industries has two share option schemes, initiated in 1980, and participation by eligible employees is now up to only 15 per cent. Under one scheme, an employee may take up options on shares up to the value of his or her pay in the previous year. BAT's shares have jumped from 270p to 430p since the start of the scheme, meaning anyone who took out options at the start stands to make sizeable gains.

BAT executives admit that this scheme has been attracting the more highly-paid executives rather than the average worker.

"The impact of the Chancellor's proposals won't be enormous," said Mr Mark Chamberlain, a personnel executive at BAT. "The changes aren't dramatic, but they are certainly in the right direction."

Carla Rapoport

VARIABLE INTEREST RATES

	Return (%) after tax at Nil	30%	45%	60%
BANKS				
7-day deposit*	10.25	7.18	5.64	4.1
NatWest Investment				
Account — 3 months	13.5	9.45	7.43	5.4
— 6 months	14.0	9.8	7.7	5.6
Lloyds Option Deposits				
— 2 years	12.0	8.4	6.6	4.8
— 5 years	13.0	9.1	7.15	5.2
BUILDING SOCIETIES				
Ordinary share rate	8.75	8.75	6.88	5.0
1 month notice	9.75	9.75	7.66	5.57
5-year term	10.75	10.75	8.45	6.14
NATIONAL SAVINGS				
Investment Account	14.0	9.8	7.7	5.6
MONEY FUNDS				
Simco Call	13.89	9.72	7.64	5.56
Tyndall Demand	13.75	9.63	7.56	5.5
FIXED RATES				
Barclays Investment Accounts				
— 1 month	12.5	8.75	6.88	5.0
— 3 & 6 months	12.0	8.4	6.6	4.8
GILTS (net redemption yield)				
Treas. 3% 1987	12.08	10.87	10.27	9.67
Exch. 14% 1986	14.13	9.66	7.44	5.24

*Midland Bank pays 10% which, compounded quarterly, is equivalent to 10.3% annually

AS EXPECTED, yesterday's 1½ per cent cut in mortgage rate brings the building societies back into line with bank base rates. The Government's lower target for National Savings announced in the Budget and the withdrawal of the 24th National Savings certificate gave the societies the extra nudge needed. Barclays immediately restored the pressure by reducing its mortgage rate from 15 per cent to 13¾ per cent. The rate to investors with societies was cut by a single point, equivalent to 1.43 per cent in the gross rates—at 12.5 per cent the gross return to standard rate taxpayers is still hovering above seven-day deposits. This leaves the National Savings Investment Account looking attractive.

Time to shuffle the portfolio

SO FAR as the stock markets are concerned, this week's Budget was not all the usual sort of thing. Market assessments are traditionally based on the supposed economic effects of the Chancellor's policy; a hint of lower interest rates or a touch of fiscal expansion are the sort of indication that investors look for. But this Budget contains measures *which are likely to affect the* market for years after it has forgotten that there was a subsidy for home-insulation or 9p a gallon on petrol.

The two things which made the difference were the Chancellor's extension of index linked stocks to the whole market (whereas previously they could be bought only by UK pension funds) and a reform of capital gains tax (which in future will not apply to purely inflationary gains).

Wider availability of index linking reshaped the gilt-edged market overnight. The 2½ per cent index-linked stock maturing in 2011 stood in partly-paid form—at £36¾ on Monday evening; by Wednesday it had gone to £46. The low coupon stocks which high-rate payers of income tax have historically held for the capital gain to redemption, have by contrast lost much of their appeal.

Although the gilt-edged market as a whole was still reflecting the downward move in interest rates, 3 per cent lost a point or more at the longer dates.

Indexation of capital gains tax became more or less inevitable when it was decided that there should be index-linked gilts for all. Since the point of index-linking is to guarantee a capital gain equal to inflation, holders of index linked would have had an unfair advantage over investors in equities—where gains are both risky and taxable.

To restore the balance, inflationary gains have been taken out of the tax net (once the investment has been held for more than a year). The intention is to tax only real gains—the rewards due to holding risk investments.

Over the long haul, this ought to make for a better equity market. As the new form of CGT shifts the taxation-balance in favour of capital gains as against dividend income, so it should alter investors' relative linking for dividends and gains. Income stocks could lose favour (except with gross funds) and companies become less inclined to over-distribute scarce earnings. A big portfolio-shuffle is inevitable.

Jeremy Stone

The good and the bad—in brief

STAMP DUTY: Thousands of house buyers, particularly those at the lower end of the market, will be better off as a result of the Chancellor's proposal of higher exemption limits for stamp duty on property transfers.

Stamp duty is based on a *sliding scale* according to the value of the property. Previously the rates were ½ per cent on property valued between £20,001-£25,000, 1 per cent on £25,001-£30,000, 1½ per cent on £30,001-£35,000 and 2 per cent on property valued at £35,001 and above.

All these threshholds are to be increased on March 22 by £5,000, with the effect that property valued at or under £25,000 will be no longer liable to stamp duty. In the fourth quarter of last year, 53 per cent of building society borrowers were liable to stamp duty. If the new limits had been operating then, only 33 per cent would have been liable—that would have meant a saving for 23,000 borrowers.

● **NATIONAL SAVINGS:** The Government's decision to withdraw the 23rd issue on Wednesday has left a gap in the savings market. Savers can still buy the 2nd index-linked issue which has a minimum 4 per cent bonus at the end of five years but there is no issue with a fixed interest rate available.

Last time the Government withdrew an issue without notice in 1963 it took two months to come up with a replacement. The National Savings department hopes the new 24th issue will go on sale in April. The tremendous response to the 23rd issue, which carried a record interest rate of 10.51 per cent over five years free of tax, meant the Government's target of £3.5bn by March had been exceeded comfortably.

● **INTEREST ON UNPAID TAX:** New provisions are to be devised for late payers of their tax bills. At present interest is charged at 12 per cent on overdue tax except for CTT due to death where the rate is 9 per cent and for income tax deducted under PAYE on which no interest is payable. The new terms are not yet known, but accountants fear that the penalties will be increased.

● **INVESTMENT IN CLOSE COMPANIES:** Anyone who borrows to invest in a close company, one in which the public holds less than 35 per cent of the shares, will be able to obtain income tax relief for his interest provided he works for most of his time at the company. In the past, relief was restricted to those who owned more than 5 per cent of a close company.

● **GOLDEN HANDSHAKES:** The Chancellor's proposals to tax golden handshakes more harshly will not affect recipients unless the amount is greater than £50,000.

Under the new rules, which take effect from April 6 1982, the first £25,000 of any payment will remain exempt, and the next £25,000 will continue to benefit from one-half tax reduction. However, where a payment exceeds £50,000 the next slice of the payment up to a maximum of £25,000 will now qualify for only a one-quarter reduction in the tax payable, and any excess over £75,000 will be taxed in full.

The key point is that there is a maximum of relief obtainable—£11,250. Previously, the greater the handshake the greater was the tax relief obtainable.

● **INCOME TAX:** The Chancellor increased personal allowances for 1982-83 by 14 per cent, following the freeze in 1981-82. Inflation for 1981 was estimated at 12 per cent, so if the Government had opted to restore allowances to the level they would have reached if indexed in 1981-82 then an increase of 31 per cent would have been necessary.

The changes in allowances have raised for 1982-83 the threshold at which it is worthwhile for a working couple to opt for separate taxation of wife's earnings. Before the Budget it made sense to go for separate taxation if the joint income before personal allowances was at least £16,977 with the wife earning at least £4,352. Now total earnings must be £19,337 or over with the wife contributing £4,972.

● **INVESTMENT INCOME SURCHARGE:** The threshold limit for the investment income surcharge is increased from £5,500 to £6,250 from April 6 1982.

Harder to join the CTT club

THIS YEAR the Chancellor has made it even harder to join the select club of those likely to have to pay any substantial amount of Capital Transfer Tax.

Last year's ending of life time cumulation was a major step back towards Estate Duty. That tax was payable only on a transfer at or within seven years of death, so that it might became known as an optional tax. Gifts made more than 10 years ago, up to last year's threshold of £50,000 per person, were made tax free. Also the much lower scale applicable to lifetime gifts more than three years before death, and this time lowered further, moved in the same direction.

Both spouses are entitled to one exemption every 10 years. So even before this Budget *£200,000 could be transferred* tax free over an 11-year period; or £300,000 over 21 years. Also each spouse can transfer gifts of £3,000 each year tax free. That adds £66,000 to the 11-year total to make £266,000 tax free. Further, that net tax-free amount is what is left after the statutory valuation reductions have been applied to the *gross* amount.

For the owners or sleeping partners in a personally owned business, and for working farmers, which includes both owner occupiers who employ a farm manager, there is a 50 per cent relief on unlimited amounts of business asset.

The Inland Revenue statistics show that in 1979 only 0.6 per cent of the adult population owned marketable wealth in excess of £100,000 each. Thus, provided they were prepared to think ahead and use the advantages of the ending of lifetime cumulation, even to reach the tax threshold after last year's Budget required a married couple to be very well up within the top 1 per cent of the wealth distribution.

This time the threshold has been raised by £5,000 to £55,000; and the tax bands have been substantially widened for both death and, especially, lifetime transfers. There is still no ceiling on the amounts of business and farm assets enjoying valuation relief.

The effect of all this for death transfers is more easily seen if the effective or average rates for married couples are quoted rather than the successive marginal rates which are officially published. The table shows the figures for 1974, when CTT effectively started, for 1981 and for 1982.

The assumption here is that only one decade's worth of lifetime tax-free transfers has been enjoyed, although there is no such restriction in practice; and that no transfers take place above the threshold but at the lower lifetime rates. The upper figure for each year is the standard married rate; and the lower figure is the business rate.

Inflation since 1974 can be allowed for by multiplying the 1982 tax rates by about 2.3. If that is done, it emerges that the real tax rates were lower in 1982 than in 1974 for standard rate married couples up to well past £500,000; and lower for the favoured business and farmer groups up to asset totals in excess of £1m.

Of course not everybody has taken the steps required to achieve the above tax rates. If a widow is left with the whole of her husband's estate, and if much of that consists of a substantial house, and no business assets, and there is no insurance policy on her life specifically designed to handle the CTT bill, then undoubtedly CTT will still put a not negligible burden on her heirs.

On the other hand, the above tax rates are not by any means the lowest that could be achieved. Farmers with a suitable pre-1981 partnership making themselves their own tenants can achieve a further 40 per cent off the valuation for tax. And business owners with persuasive accountants can often also produce that sort of further valuation reduction.

CTT RATES (PER CENT)

Assets (£000)	1974	1981	1982
110	17	0	9
	10	0	0
510	44	23	17
	22	0	0
1,000	53	41	37
	31	5	4
2,500	61	56	53
	39	27	25

In practice the reliefs for favoured taxpayers are now so large that, far from being progressive, CTT has now reached the point where tax rates actually decline as assets increase; for the wealthier the taxpayer the easier it is to achieve favoured status. No evidence has been cited either by the Bolton Committee in 1971 or by Chancellors since to support the view that it is the now very muted threat of CTT which is inhibiting new enterprise. "Clogs to clogs in three generations" was a phenomenon that long pre-dated the existence of any death duties at all.

CTT could be avoided by over 99 per cent of the population in 1981; and by even more than that now. It follows that readers who are not multi-millionaires but do think that they have a substantial CTT liability should seek advice while the going is good. It also follows that future radical Chancellors should have a return to the principles of the 1974 CTT high on their action list.

Alister Sutherland

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PROPERTY

Nigel Broackes selling again

BY JUNE FIELD

IN THE Great Hall with its massive kingpost trusses and purlins, a handsome brass fender and two corner seats enclose a blazing log fire, and an alsatian and a little terrier sit contentedly on a Graham Sutherland rug.

This is The Deanery, Sonning, Berkshire, with its eclectic decor, splendid Lutyens designed and Jekyll landscaped weekend home of Mr Nigel Broackes, chairman of Trafalgar House and the London Docklands Development Corporation; the house, credited as "a perfect architectural sonnet" goes on the market today through Hampton and Sons and Hibberts of Henley-on-Thames, at offers in the region of £650,000.

Over the years Mr Broakes has changed houses like other people change their cars. He says that he and his wife like the challenge of "creating a new home."

In 1976 he sold his London home to "a gentleman from Saudi Arabia" and the year before that he sold his previous country house, Wargrave Manor, to the Sultan of Oman.

With the enormous interest generated by the recent Arts Council Lutyens' exhibition at London's Hayward Galleary, visited by over 74,000 people, this is the year to sell a house designed by the distinguished English architect Sir Edwin Lutyens (1869-1944), particularly one with the bonus of a garden by the equally brilliant Gertrude Jekyll (1843-1932).

A few minutes off the M4, about a 35-mile drive from central London, The Deanery (originally called Deanery Gardens), is enclosed by an ancient high wall, the house built on an ecclesiastical site for Edward Hudson, founder of *Country Life* magazine.

The basic accommodation, four living rooms, eight bedrooms, five bathrooms, stylish conservatory and staff quarters, follows the plan of many other Lutyens' houses — separate but intercommunicating units for family, guests and staff. And, as Mr Broackes pointed out when he showed me round on Friday: "It is an extremely flexible, comfortable village house, easily adaptable to a family's needs, and we enjoy it very much." There is also a chauffeur's bungalow, five-car garage block, and two staff cottages in the village High Street.

As far as I could establish, owners since Edward Hudson were the Christie-Miller family, Mr Ben Gough, General Thorn, and Colonel Pollen.

A considerable amount has been spent since the Broackes's bought the place at auction in 1974 from Colonel Pollen.

A clever innovation was to knock out the chalk blocks between the timber-framing at one end of the barn-like but intimate Great Hall. (Mr Broackes says he still has the bricks if anyone wants to put them back). This gives light to what is now a minstrels' gallery, appropriately used as a music room. Another intriguing original touch to note, apart from the Great Hall's majestic full-height oriel window with 48 lights, is the construction of the stair on the floor above; the space between the joists of the landing is left open to allow the light to filter through to the vestibule below.

In the delightful two-acre grounds from where one can see the nearby impressive St. Andrew's Church whose 18th century bells are still rung, yellow crocuses and blue hyacinths are at present the only spot of colour. There is a swimming-pool plus pagoda-style changing room, a workshop studio, the fascinating contents of which are going to the Broackes' new home, the Tudor-style Checkendon Court, Oxfordshire. (In his autobiography, *A Going Concern*, (published by Weidenfeld and Nicholson in 1979), Nigel Broackes wrote of wanting "an active and creative hobby," and inspired and helped by notable silversmith Mr Gerald Benney, he is now a silversmith of considerable talent himself)

Also recently on the market, but "very quietly," insist the agents, is an earlier Lutyens, Fulbrook House, in 21 acres near the village of Elstead, Surrey. Architect Sir Lawrence Weaver (1876-1939), in his *Houses and Gardens by E. L. Lutyens*, 1913, said it showed Lutyens as "still in 1897 an urgent seeker of the picturesque and finding his way to his present consummate sense of the value of the material."

Originally built for Mrs Gerald Streatfield, there are some dozen bedrooms, six bathrooms, staff suite, lodge, gardener's cottage, stabling, indoor swimming pool and an artificial lake. The present owners have sympathetically restored the property, completing the elegant little octagonal "drinks room" in accordance with Lutyens' plans, which opens off the main living room on to a terrace. The price will be disclosed to serious enquirers through Mr Paul Hutchings, partners Hampton and Sons, 6 Arlington Street, London, SW1, who is also dealing with The Deanery.

Another house once owned by *Country Life's* Edward Hudson which has been on the market since last summer, is Plumpton Place, in 62 acres in an idyllic lake-side setting near Lewes, Sussex. It was bought practically derelict by him in 1927, and he had Lutyens restore and re-build it, as well as adding a pair of entrance cottages and a handsome music room. The present owner is pop-star Mr Jimmy Page of Led Zepplin, who bought actor Mr Michael Caine's mill house near Windsor and now wants to sell Plumpton for £1m.

The house dates back to the early 17th century, believed to have been built by the brothers John and Edward Mascall. In 1620 it was sold for £4,000 to Sir Thomas Springett whose family held it until 1736, when Thomas Pelham, an ancestor of the Earls of Chichester acquired it. During the 19th century the place deteriorated, becoming little more than a terrace of farm labourers cottages.

The modernised moated manor house, with six bedrooms, four bathrooms, recording-studio apartment, plus the mill house, lodge cottages, groom's cottage and stud buildings (it was formerly the home of the late Lord Manton's stud), is being handled by Mr Stephen Hardwick, Strutt and Parker, 201 High Street, Lewes, Sussex.

The Deanery, in two acres at Sonning, Berkshire, a Lutyens/Jekyll designed house and garden c.1901 owned by Trafalgar House Chairman Nigel Broackes, goes on the market today at offers in the region of £650,000. The house has 8 bedrooms, 5 bathrooms, a great hall, staff apartment, swimming pool, chauffeur's bungalow and two cottages in the village.
Illustrated brochure Paul Hutchings, Hampton & Sons, 6 Arlington Street, London SW1. (01-493 8222), and Roderick Sergentson, Hibert & Co, 42 Bell Street, Henley-on-Thames, Oxon (04912 4466)

BRIDGE

E. P. C. COTTER

MY FIRST HAND today comes from an important team match played in America:

N
♠ 8 6
♡ Q 7 4 3
◇ Q 8 5
♣ A K Q J

W
♠ A 9 5 3
♡ 10 6
◇ 10 6 3
♣ 10 9 8 4

E
♠ Q J 7 2
♡ A J 8 2
◇ K 9 7
♣ 7 2

S
♠ K 10 4
♡ K 9 5
◇ A J 4 2
♣ 6 5 3

With North-South vulnerable, North dealt and bid one club, South replied with one diamond, and North rebid one heart. South now said two no trumps—a bid for which he has every qualification—and in one room that became the final contract, the declarer making exactly eight tricks.

In the other room, however, the North player raised to three no trumps, and all passed. The opening lead was the three of spades, the declarer won East's Knave with his King, and returned the five of hearts to the Queen. East took his Ace, cashed the spade Queen, and led another spade for his partner to make two further tricks. West returned a club, giving the lead to dummy, and the declarer assessed the position. He had made one spade, the Queen of hearts was established, and he had four club tricks. To have any hope of success, he must find East with the diamond King, but that alone was not enough. He decided to cash the clubs to see what transpired, and East began to feel the pressure.

On the third club East could throw a heart without embarrassment, but when the last club was played, East who held Knave and eight of hearts and the King, nine, seven of diamonds, could find no good discard. If he threw a diamond, the declarer would finesse the Knave of diamonds, cash the Ace, dropping East's King, and that would be that. If he threw a heart, South would score his ninth trick with the nine of hearts.

Note that the cashing of the spades has rectified the count for the declarer.

The next deal is from a rubber of good standard:

N
♠ J 10 7 4 2
♡ J 6 5
◇ K 10 7
♣ A Q

W
♠ A 8 5
♡ A K 10 9
◇ 0 4 2
♣ A 10 3

E
♠ —
♡ 7 3 2
◇ Q 8 6 5
♣ J 9 8 6 4 2

S
♠ K Q 9 6 3
♡ Q 8 4
◇ A J 3
♣ 7 5

wBoth sides were vulnerable when West dealt and bid one heart. This was followed by two passes, and South re-opened with a bid of one spade, and went to four spades after a double raise from his partner.

West led the heart Ace, on which East drope the two, and continued with King and ten. Winning the third heart in hand with the Queen, declarer led a low spade to the ten, and returned a spade to the Queen and Ace. West switched to the three of clubs, dummy's Queen was successfully finessed. West's remaining trump was drawn by a spade to the King, and the Ace of clubs was cashed.

The declarer was now faced with the problem of guessing which way to finesse against the diamond Queen. He was on the point of finessing dummy's ten, placing West with the Queen in the light of East's pass of his partner's opening bid, when he suddenly woke up.

West started with three spades and four hearts, and had surely six cards in the minor suits—it looked like three clubs and three diamonds. In that case, if he held the diamond Queen, he would have been dealt a balanced hand of sixteen points, and would have opened the bidding with one no trump. Happy with this analysis, South finessed the diamond Knave in hand, and made nine tricks.

CHESS

LEONARD BARDEN

WORLD CHAMPION Anatoly Karpov has won the annual Oscar awarded by international chess journalists for the eighth time in nine years (Korchnoi was narrowly ahead in 1978). Each voter lists his twelve best players of the previous year in preferential order and points are allocated accordingly.

Karpov scored 1253 (his maximum possible was 1392) followed by Timman 1117, Korchnoi 1038, Tal 922, Kasparov 740. Larry Christiansen and Yasser Seirawan were the two top Americans, in tenth and eleventh place while among British players only Nunn and Miles with a handful of votes each, were mentioned at all. A few political activists left Karpov off their lists entirely, a contrasting approach to the dozen Soviet journalists none of whom placed the defector Korchnoi worse than fourth.

This predictable result has been greeted by a paean of praise for Karpov. Since 1975 when he won the world title this column has emphasised his greatness as a champion even when others were more critical, but now it is time to start looking for signs of wear and of chinks in the armour. A striking though rarely observed fact about past world champions is how few of them, once they won the title, were able to maintain tournament supremacy for a long period. The best by that criterion were Lasker and Alekhine yet the former dropped out of tournaments for years at a time and was highly selective in his match opponents, while Alekhine's wonderful San Remo and Bled period of 1930-31 burnt out as alcoholism became his master.

Karpov's sustained golden era has lasted far longer than any of his predecessors. One can argue about the reasons for that, but two of his principal motivations have clearly been to lay the ghost of Bobby Fischer and to repel Korchnoi's political and personal challenge. In both he has succeeded without argument: there are still occasional rumours of Fischer comebacks, but at 39 years of age and after a decade's absence he would have it all to prove. Korchnoi lost decisively in Merano and Karpov now has nothing to fear from players of an older generation.

This could be a classical setting for ennui, the burden of office which has affected several past world champions. Capablanca and Spassky, for example, both admitted diminished incentive shortly before they lost the title.

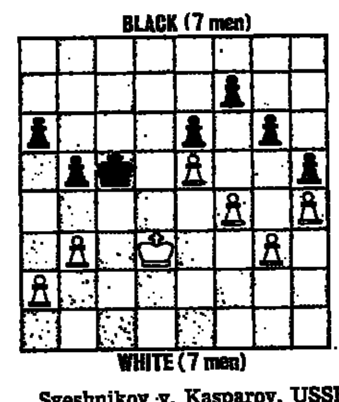
Just as Karpov left Moscow for the Mar del Plata tournament last month, a report appeared in a West German magazine, that Karpov had been warned by his doctors not to travel to Argentina due to nervous exhaustion. The weeks since his victory over Korchnoi must have been crammed with official functions to celebrate his Order of Lenin, election as USSR Sportsman of the Year, and other honours.

Karpov went to Mar del Plata just the same, and proceeded to have one of his worst results since he became champion. In the first 11 rounds he scored only 50 per cent and lost both to World No. 2 Timman and to the Argentine outsider Palermo. His final two wins put a slightly better gloss on a distinct setback: Timman (Holland) 9½ out of 13, Portisch (Hungary) 8, Seirawan (U.S.), Karpov and Polugaevsky (both USSR) 7½.

One reverse does not equal dethronement, but this failure gives added signficance to Karpov's next event, the Phillips and Drew Kings at County Hall, London, on 15-30 April. His opponents there include both Timman, who has now won three individual games against the champion, plus the rising young British GMs and Nigel Short.

POSITION No. 414

BLACK (7 men)

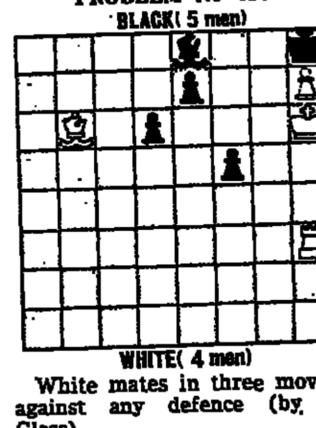


WHITE (7 men)

Sveshnikov v. Kasparov, USSR championship 1979. Kasparov excels in the endgame. Here many spectators predicted a draw but Kasparov (Black to move) found a winning plan. How should the game go?

PROBLEM No 414

BLACK (5 men)



WHITE (4 men)

White mates in three moves, against any defence (by G. Glass).

Solutions Page 12

LEISURE

Italy's centre of chic

Milan Cathedral and the Piazza del Duomo

FLORENCE, THE charmer, could win beauty contests. So could Rome and Venice. Milan would be passed over, for this city's attractions are more masculine, more hidden, less familiar.

Yet here are to be found the greatest opera house in the world, Leonardo do Vinci's *Last Supper*, and any number of excellent shops and restaurants.

Milan is the commercial capital of Italy. Poised mid-way between the Alps and the Po, its summers can be uncomfortably hot, the winters foggy and grey. Spring and autumn are the pleasant times for savouring Milanese life.

No better introduction to the Milanese can be had than by going to the hub of their city: the area around the Duomo, a handsome Gothic cathedral which took 500 years to complete and whose array of 140 pinnacles and some 2,000 statues takes all year to clean and maintain. Walking on the nave rooves among the white marble statues one has a view of the cobweb pattern of streets that radiate from the cathedral.

TRAVEL
LAILAN YOUNG

Just off the Piazza del Duomo is the Galleria, a glass-domed arcade with shops, travel agencies, bars where the Milanese promenade, meet friends for espressos and aperitifs, and read the *Corriere della Sera*.

Behind the Galleria is La Scala, where a visitor could, by trust in the international postal system and a large measure of luck, have secured a seat for an opera or ballet through the postal booking scheme. If you do get in don't forget your pocket money: 1,000 lire to leave your coat (compulsory) at the cloakroom, 5,000 for a programme, and women need L500 to pay the washroom attendant.

Not far from La Scala are two art houses: off Via Manzoni is Poldi Pezzoli museum which has many excellent paintings, and at the Brera Palace and Picture Gallery are fine paintings by Bellini, Tintoretto, Tiepolo, Canaletto, and other Italian greats, plus El Greco, Rembrandt, and so on.

From the Duomo leads Via and Piazza Mercanti, calm and picturesque, and one of the few areas where historic buildings remain. The street changes name to Via Dante, at the bottom of which is Milan's most splendid ancient relic, Castelo Sforzesco, a huge brick moated fortress and site of an annual summer outdoor opera festival. The castle also houses the city's Museum of Art—more amazing masterpieces. In the armoury is a thought-provoking wooden cross in which a sharp knife is expertly hidden.

A short walk from there is the Renaissance church of Santa Maria della Grazie. In an adjacent building is *The Last Supper*, partially covered these last three years by scaffolding as restorers try to combat the effects of Milan's humidity and pollution.

The best shopping streets are conveniently grouped in one area: della Spiga, San Andrea, and Monte Napoleone. Here will be found the boutiques of Chanel, Calvin Klein, silk merchants (for Milan is the centre of a major silk-producing area), and the leading Italian designers, among them Gucci, Valentino, Ferragamo, Giorgio Armani, Fendi, Krizia, Gherardini—whose styles are especially desirable for straight-backed men without paunches and women of fine taste for whom colour-matching is important.

Even if you don't buy something you will almost certainly marvel at the design sense of the Italians. Here, and around the Duomo, are to be seen the smartest dressed women of Italy, and, therefore, maybe, of the world.

If you are in the area of Via Monte Napoleone, the best pizza you are ever likely to eat is at Il Salumaio's. The delicatessen is next to Pierre Cardin's boutique. We hid behind the Frenchman's bay trees while we consumed our hot snack on the spot.

The Rinascente department store near the Duomo in Corse Vittore Emanuele (another street for boutiques) has a good range of kitchen goods, including coffee-making machines, and the silk ties at Roxy (never mind the name) at Via Tommasco Grossi 10, are excellent value at just L5,000 apiece.

For me the best restaurant in Milan is Gualtiero Marchesi. When I dined there it rated two stars in the Red *Michelin Guide to Italy*, but deserved three. More *cucina nuova* than traditional, more French than Italian, all but one of the 12 dishes we ordered were faultless; the exception was the blurred sorbet. I savour the memory of slivers of duck liver on a bed of raw spinach, the like of which I have only had before at the Troisgros brothers' three-star restaurant in France.

Another good restaurant is Alfio, which has branches in Japan. The house specialities of *spaghetti alla pescatora* and mixed fish grill are not to be missed. Though it is popular with local businessmen, we found Crispi a disappointing restaurant.

Magic Restaurant, part of the Motta establishment in the Galleria, serves a reasonable quick lunch (stylish self-service cold and hot dishes) in the city centre. No one should leave Milan without trying two local specialities: saffron-flavoured risotto and osso buco.

If someone at home would enjoy a selection of finest Italian hams and salamis, dried wood mushrooms, fresh pasta, cheese and chocolates then Peck is the place: at Via Spadari 9, off Via Torino, but closed Mondays.

Milan has much to offer anyone left behind for a weekend between business sessions. There are also short-break package holidays organised by CIT, using Alitalia's daily, roomy airbus service. The city is also an excellent touring centre for the beautiful Lakes Garda, Como and Maggiore, and to the historic cities of Verona, Cremona, Mantua and Pavia.

● Information: the 1982 programma at La Scala and other information are available from the Italian State Tourist Office at 201 Regent Street, London W1. CIT is at 10 Charles II Street, London SW1. Alitalia have two daily services from London, and a flight in conjunction with British Airways from Manchester every day except Sunday. The *Michelin Green Guide to Italy* (£3.50) is handy, concise and factual.

Turbos galore

The 136 mph Mitsubishi Starion

TURBOCHARGERS GALORE. That just about sums up this year's Geneva Show—and it also points the way the car makers are going for both performance and economy.

On opening day, it was the Bentley Mulsanne Turbo, nearly £59,000-worth of high performance luxury, that stole the headlines. But the benefits of turbocharging have already reached the broad base, not the rarified extreme, of the market.

On the Mitsubishi stand, every model was available in at least one turbo version. Even the smallest, the front-drive Colt 1400 hatchback, was displayed with a turbocharged 1.4 litre engine coupled to the twin-range manual transmission, giving a high set of four ratios for motorway economy, a low set for town flexibility and rapid acceleration. This car will be reaching Britain by summer and will cost less than £6,000. With 105 horsepower on tap, it should give owners of rival makes of small and sporting hatchbacks plenty to think about.

MOTORING
STUART MARSHALL

The Starion, Mitsubishi's curiously named but very fast (136 mph maximum, 0-62 mph acceleration time 7.4 seconds) two-plus-two, made its world premiere at Geneva. It proved to be much more than the hotted-up and tarted-up Sapporo one had suspected. The interior pulled the crowds no less than the styling and promised performance.

Executives from other car makers jostled to get inside to try the seat belts which are a model of ingenuity and efficiency. The top and bottom anchorages (the latter with inertia reels) are built into the trailing edge of the door. You simply get in, close the door, pull the tongue across and clip it into the central socket. The belt fits anyone comfortably. Why no one thought of the idea before defeats me.

And the Starion (you say Starryon) has leather-trimmed seats that look like something out of a space capsule.

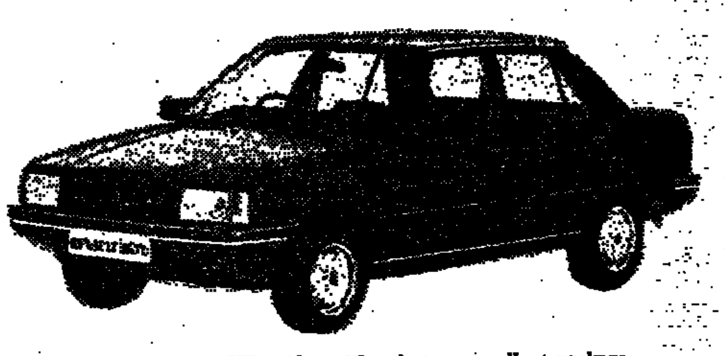
They can be instantly tailored to any size or shape of occupant. Apart from the usual to-and-fro and backrest rake adjustment, the angle of the head restraint can be altered. So can the degree of support provided by the upholstery under the thighs and body sides. This £11,700 sports car arrives here in May. There is not a lot of luggage space with the back seats in use and the power steering is by worm and nut, not rack and pinion, but electronic anti-skid braking is available.

Vera 02, on the Peugeot stand, will never be sold to the public. It is a research vehicle, developed for the French Agency for Energy Conservation. It demonstrates Peugeot's belief, general among many European manufacturers, that the ultimate economy engine is a turbo-diesel. Vera 02 is a 305 saloon, cleaned up aerodynamically and powered by a 1,360 cc engine from the 104 model. But it has been dieselised and turbocharged. It produces 62 horsepower at 4,500 rpm, compared with the normal 1,548 cc 305 diesel's 49 bhp at 5,000 rpm.

The fuel-miserly Vera 02 does 43.5 mpg in town, 69 mpg at 56 and 47 mpg at 75 mph. These figures are about 50 per cent better than the petrol 305GL, 25 per cent better than the current 305 GDL. And Vera 02's performance is within five per cent of the 305GL's, five per cent better than that of the 305GDL.

As cars get lighter, engines are shrinking in size. Only a handful of Geneva exhibits have more than 3-litres cylinder capacity. By the end of this decade, a car of more than 2-litres capacity will be considered unnecessarily large-engined. There will probably be three versions of the average car. The basic one will have a carburetted petrol engine; the fastest a turbocharged (and probably fuel injected) petrol engine; and the most economical a diesel, turbocharged in all but the cheapest makes to give the same performance as the basic petrol model while using 30 per cent less fuel.

Car award



The Renault 9 GTL. Unexciting, but an excellent package

RENAULT'S Car of the Year Award winning Nine, already a common sight on French roads, reached Britain this week. This four-door, three-box saloon spans the £4,100 to £5,688 price range. It comes with a choice of 1,108 cc or 1,397 cc engines in varying states of tune, four or five-speed transmissions — an automatic is also due very shortly — and trim ranging from simple to luxurious.

Even the cheapest-but-one model, the four-speed 9TC, feels pleasingly solid, rides firmly almost in the German style and makes very little noise as it cruises at motorway speeds.

The Nine doesn't replace any existing Renault model though it makes the hatchbacked R14 look a little vulnerable and will undoubtedly steal some sales away from the ageing though still remarkably successful Renault 5. (A new TX version of the 5, with electric windows and masses of equipment, was to be seen at Geneva).

One couldn't call the Nine an exciting package but it is efficient, comfortably roomy (though not excessively so in the back) and has a vast boot. But cars like the Nine are bought to transport families, not to set the pulse racing, and at this it is so good that it must become Renault's best seller. Even so, it is no slouch. Several passed me on the autoroute last week as I cruised at a slightly illegal 85-90 mph. The sportiest one, the TSE, is said to be good for just 100 mph. Economy is excellent. On a group test of right-hand drive Nines in France a few weeks ago the TCs averaged 44.6 mpg, the GTLs 35.9 mpg and the TSEs 37 mpg. And economy driving is the last thing most journalists think about on the autoroutes and mountain roads of the Cote d'Azur.

Unusually for a small/medium family saloon, the Nine can be had with electro-magnetic central locking as well as electric front windows. These are part of a custom pack (including tinted glass and laminated windscreen) costing £280 and available on most models.

Growing home-raised plants

GARDENING
ARTHUR HELLYER

THERE ARE many advantages in being able to carry out a few simple methods of plant propagation. It can save a lot of money by enabling one to prepare replacements for plants that are naturally short lived or are at some risk from winter cold in our climate. As I was pointing out recently in an article on the acquisition of scarce plants, it may be the only way to get them if they are not available from any commercial source. Incidentally, since I wrote that article, the Northern Horticultural Society has reminded me that they, too, distribute seeds to their members from their fine garden at Harlow Car, Harrogate, and I have received the society's current seed list containing 859 *items*.

There is also special pleasure in growing home-raised plants as Susanne Mitchell and Barbara Haynes point out in the opening paragraph of their new book, "The Hamlyn Guide to Plant Propagation." This book, published by Hamlyn for the very reasonable price of £3.99, is the best illustrated guide to this subject that I have seen. No fewer than 91 of its 128 pages are devoted to photographs, three or four to each page, showing step by step how various methods of propagation should be done. These and the captions for them, tell most of the story but there are also excellent introductory notes to each of the six main sections covering sowing, cuttings, division, layering, budding and grafting, and bulbs and corms as well as a general introduction and a short plant list with the best method of propagating each. In addition there are a number of very clear line drawings and eight full-page colour plates showing some of the plants readers might want to propagate.

Most amateur gardeners probably start propagating plants either from seed or by dividing old roots. Division is certainly the easiest method of increase but it is limited to those plants which spread naturally by forming offshoots or making ever bigger clumps of interconnected stems and roots that can be separated without too much damage. Some shrubs and even a few trees have a similar suckering habit and the common elm spreads exclusively by suckers which, since this is a wide rooting tree, often appear a considerable distance from the parent tree. Such elm suckers are not at first infected by elm disease even when their parents have been destroyed by it and this gives hope that one day, when the present virulent epidemic has subsided, those parts of Britain which suit the elm will again become well populated with this noble tree.

March and April are the two best months for dividing most herbaceous perennials and often it can be done simply by digging them up and splitting them into smaller pieces with the fingers. This is always the safest way but if the clump proves too tough to yield, the next step is to thrust a couple of hand forks, or if these are not strong enough a couple of border forks back to back through the middle of the clump and lever the two halves apart. The process can be repeated time and again until pieces of convenient size for replanting are obtained. As a rule there are far too many for one's requirements and then preference should be given to the young outside portions of the clump which are more likely to be vigorous and disease free than the central part.

Only for plants such as peonies and delphiniums, which make a solid crown that cannot easily be split would I advise using a knife and then with great care as it is all too easy to sever stems from roots.

Cuttings can be made of other parts of the plant besides stems. Some, such as anchusa, echinops, phloxes, oriental poppies, perennial verbascums and hollyhocks, will grow from pieces of root cut into short lengths in winter and buried about ½ inch deep in sand, peat and soil in pots in an unheated greenhouse or frame. Occasionally root cuttings give curious results. For example such cuttings taken from the variegated varieties of aralia will produce *nothing* but green leaved plants completely lacking variegation which is one reason why variegated aralias are expensive since they must be propagated by grafting on to aralia roots and this is a relatively slow and skilled task. But as a rule root cuttings, like stem leaf or bud cuttings or divisions, will reproduce every characteristic of the parent plant.

This is never so with seed. Even the most stable F1 hybrids, specially and expensively bred for uniformity, will show some small variations and the degree of variation in some plants can be highly interesting but possibly annoying if one is expecting an exact replica of the parent.

There can be other difficulties with seeds once one strays from the familiar kinds that are sold by most seed firms. Some seeds, those of the Tibetan poppies (meconopsis) among them, have a short life and need to be sown as soon as ripe for best results. Others, and this is true of the seeds of many trees and shrubs, have an inbuilt dormancy which can only be removed by a period of several months at a low temperature.

There are two ways of overcoming this dormancy in gardens, one to sow in early autumn and leave the seed pans outdoors all winter, in which case they will probably need fine wire mesh protection from birds and mice, the other to put the seeds in moist peat in polythene bags in the bottom of a domestic refrigerator where the temperature of 3 to 4 degrees C for three or four months will be sufficient to produce the necessary chemical or physiological changes.

Midnight Court is out

RACING
DOMINIC WIGAN

ON THE advice of Fred Winter, Mr and Mrs Jackson have decided that Midnight Court will not be asked to compete in Thursday's Cheltenham Gold Cup. As a result, only Venture to Cognac, a top price 8-to-1 chance, will represent Uplands in a race it won for the first and only time to date through Midnight Court in 1978.

On the hurdling front it is now "virtually certain," according to Fred Winter that Derring Rose's connections will want their erratic but brilliant hurdler to run in the Waterford Crystal Champion, rather than in the stayer's event.

Winter, who anticipates saddling seven runners on the opening day and three on each of the two subsequent days of Cheltenham, is, as is his habit, not exuding confidence, as he made plain, when telling me yesterday: "We'll be lucky if we have more than one winner."

Turning to today's racing, Kempton faces a 7 am inspection to see if the course has dried out enough for the William Hill Imperial Cup card to go ahead. Only seven (half the number of a year ago) have been declared for the £12,000 handicap and Winter will be particularly anxious for Fledge to get the opportunity to follow up a recent Newbury victory. The Sharp Edge horse justified plenty of on-course confidence with a clear-cut win there, but I prefer the chance of the Kempton specialist, Knighthood, who dealt comfortably with Roadster here before arguably having too much use made of him in the early stages of the Schweppes. Knighthood showed up prominently in the big Newbury Handicap until beating a hasty retreat two flights from home.

Irrespective of whether the Kempton card with its 1.15 projected start, owing to the Horse and Hound Grand Military Gold Cup being brought forward takes place, there will be plenty of good racing for racegoers and television viewers alike. Chepstow stages, amongst other good races, the Panama Cigar Hurdle Final, while Ayr has the Arthur Challenge Cup and Doncaster the Grimethorpe Chase. That popular owner-trainer, Lord Kilmany, appears to be bringing the course specialist, The Engineer, back to his best, and this ten-year-old appears as the afternoon's best bet on the Scottish course.

KEMPTON
1.15—Ballyross***
2.50—Knighthood
3.20—Mauritius
3.00—Cinchid
4.00—Pirate Jack

AYR
2.00—The Engineer**
2.30—Pounentes

DONCASTER
3.45—The Vintner
4.15—Cooch Behar*

Other Sport, Page 13

SNOW REPORTS

Val d'Isere (Fr.)	145-250 cm	All lifts closed.
La Plagne (Fr.)	200-400 cm	Heavy snow falling.
Tignes (Fr.)	210-300 cm	Lifts closed by wind.
Flaine (Fr.)	165-425 cm	Snow falling.
Kitzbuehel (Aus.)	85-195 cm	New snow on hard base.
St Anton (Aus.)	150-480 cm	Powder on hard base.
Courmayeur (It.)	170-295 cm	Strong winds, lifts closed.
Grindelwald (Sw.)	25-140 cm	New snow on good base.
Zermatt (Sw.)	65-175 cm	Powder on good base.
Crans-Montana (Sw.)	50- 90 cm	New snow on good base.
Muerren (Sw.)	170-250 cm	Excellent powder on good base.
Wengen (Sw.)	67-160 cm	New snow on good base.
Verbier (Sw.)	70-270 cm	New snow on hard base.

European reports from Ski Club of Great Britain representatives.

THE U.S.

Aspen (Col.)	19- 58 ins	Frozen granular.
Hunter (NY)	24-120 ins	Powder snow. Most runs open.
Park City (Ut.)	48-105 ins	Packed powder. Most runs open.
Squaw Valley (Cal.)	54-132 ins	Wet snow. Most runs open.
Sugarbush (Vt.)	23- 61 ins	Powder. All runs open.
Stowe (Vt.)	50- 96 ins	Powder. All runs open.

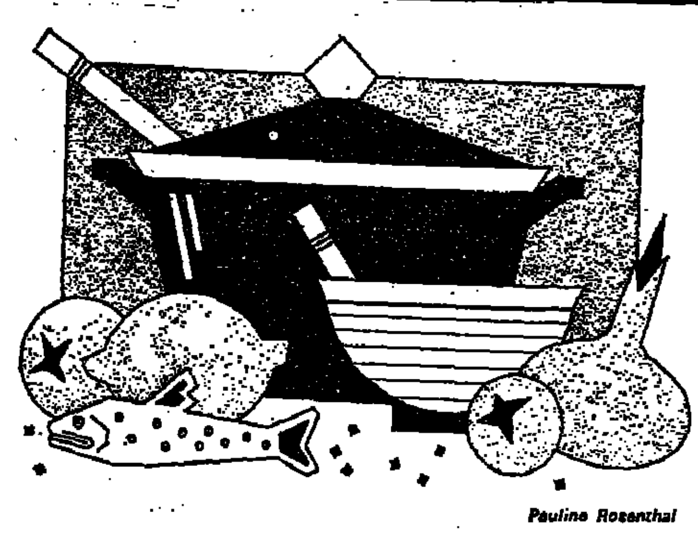
Figures indicate snow depths at top and bottom stations.

SCOTLAND

Cairngorm:	Main runs complete.	New snow on firm base.
Glenshee:	Main runs complete.	New snow.
Glencoe:	Main runs complete.	New snow on hard base.
Lecht:	Some main runs complete.	New snow on firm base.

HOW TO SPEND IT

by Lucia van der Post



Pauline Rosenthal

Making a meal of it

BY JULIE HAMILTON

I GO through food crazes; just now I am mad about soups. Soups that are a meal in themselves, that is. Rich and full of chunks of meat, sausage, fish or vegetables, they are ideal to serve the family at weekends when you want to get on with other pursuits and not spend too much time in the kitchen.

Loads of French bread in the larder, and a huge pot sitting on the stove; "help yourself and please wash up after."

Pimento and chorizo soup—serves 6

3 or 4 large green peppers; 1 lb or more chorizo sausages; 2 large onions; 1 heaped tablespoon sweet paprika; 4 heaped tablespoons tomato purée; 3 pints stock; 1 teaspoon caraway seeds; 4 eggs; 2 oz lard.

Slice the onions thinly, sauté them in the lard in a large pan. When transparent, pull the pan off the heat and add the paprika. Cut the peppers into small strips and add them to the onions. Combine the tomato purée with the stock and add to the vegetables. Cover and simmer for at least ¾ of an hour.

Slice the sausages into half-inch chunks, add them, with the caraway seeds, to the soup. Cover and simmer for about ½ an hour. Beat the eggs, draw the pan off the heat and add them, stirring well while doing so. Keep the soup hot (barely simmering) for another ½ an hour, then taste and adjust the seasoning. Do not add salt before this point because the sausages are often quite salty enough. Garlic bread would not go amiss with this soup.

Bouillabaisse de sardines—serves 6

Bouillabaisse, a speciality of the south of France, holds magical memories for me. Until recently I have never tried to make it because I felt that, without the Mediterranean fish, it would not be anything like as good as I remembered it. But I have come across a little recipe that only requires fresh sardines, and this I did feel tempted to make.

2½ lbs fresh sardines (available from Safeway Supermarkets); 6 medium-sized potatoes peeled and sliced; 1 onion chopped; 2 leeks sliced; 2 large peeled and seeded tomatoes; 3 cloves of garlic pounded; 1 bay leaf; 1 sprig of fennel; 1 small piece of orange peel; 1½ pints of water; salt, pepper; a pinch of saffron; olive oil; parsley.

Fry the onion and leeks in the olive oil in a large pan. When the onions are transparent, add all the other ingredients except the sardines. Cover and cook gently until the potatoes are very nearly done; at this point arrange the sardines on the top of the potatoes. Cover and cook for a further 8 minutes. To serve, fry some slices of bread until golden, place one in each bowl and pour the bouillabaisse over.

Chicken and cauliflower—serves 8

This recipe is my own, but I am sure you will see the Hungarian influence!

1 large chicken including the giblets; 1 smoked knuckle of pork; 1 large or 2 small cauliflowers; 3 sticks of celery chopped; 1 onion chopped; 2 carrots sliced; 4 peeled tomatoes; 2 tablespoons sweet paprika; 1 heaped tablespoon flour; 2 potatoes peeled and cut into small chunks; juice of 1 lemon; 1 oz butter; 1 teaspoon dill weed; salt and pepper; 8 oz sour cream; pinch of sugar.

Ask your butcher to cut the chicken into 10 or 12 pieces. Select the 4 least meaty portions and put them in a pan with the giblets, knuckle of pork, celery, carrots and onion. Add 2½ to 3 pints of water, bring to the boil, remove any scum and simmer for 1½ hours. In another pan sauté the remaining pieces of chicken in the butter; when lightly browned pull off the heat and add the paprika and flour, slowly strain over it the stock you have made, stirring well.

Add the tomatoes, cut up very small, and the potatoes. Cover and cook slowly for about ¾ of an hour. Break the cauliflower into florets and, with the dill weed, add them to the soup. Adjust seasoning with salt, pepper, sugar and lemon.

Cover and cook just long enough for the cauliflower to still have a bite to it, then add the sour cream.

Artichoke soup 1982—serves 6

Currently I have a passion for Jerusalem artichokes; I have been experimenting with them a great deal and this soup is one of the results which I feel is worth passing on.

2 lb Jerusalem artichokes; 1½ lb veal cut in small strips; 3 pints veal stock; juice of 1 large lemon; 2 or 3 sprigs fresh thyme; 1 oz butter; 1 tablespoon bacon fat; salt and pepper; cream and paprika to garnish.

Wash but do not peel or scrape all but three of the artichokes. Cut them into small pieces (use the chipper disc of a Magimix or similar food processor if you have one). Sauté in the butter, add the thyme and lemon juice, pour over the veal stock, which should be a good strong one, cover and cook slowly until the artichokes are tender. Cool slightly and liquidise, then push through a sieve.

Scrape the remaining three artichokes and cut them into small pieces, lightly fry them with the veal in the bacon fat. If you feel the artichoke purée does not have enough body to it for your liking, add a little flour to the veal and artichokes at this point. Pour over the cooked and sieved artichokes and stir well, cover and simmer for about three-quarters of an hour or until the veal is tender. Serve with a dollop of cream and a pinch of paprika in each helping.

If you do not share my love of artichokes you could substitute carrots quite well.

Home from Home

I USED, in days past, to get very depressed about the Daily Mail's Ideal Home Show. Why couldn't it be more stylish, more original, more full of flair and panache? In recent years I've decided that it is much more relaxing to go in a spirit of acceptance—to look to it for what it has to offer and not to go searching for what it patently has no intention of providing.

What it isn't is a showcase for original, innovative design, the sort of event that makes the Milan Furniture Show such an annual Mecca for the admirer of the witty, the sparky, the truly creative.

What it is is a sensible, practical sort of place, which aims to appeal to the broad mass of sensible, practical people who are looking for a bit of furniture to fill a particular niche or a cooker to fit some precise dimensions or a bit of lino to lay down in the hall.

This tends to mean that the show is full of earnest couples laden with plastic bags full of brochures they will no doubt read from end to end, armed with tape measure and notebooks, all seizing the opportunity to see as large a collection of domestic appliances and furniture as are normally gathered under one roof. If you're thinking of buying a new cooker/solid fuel fire/sofa/bath tub/burglar alarm it is still the best way to see what the market has to offer.

Judging by the interest shown at the show, today's big preoccupation is home security—here you will be able to assess the merits (or attempt to assess the merits) of something like 12 different systems—find them in the Safety and Security Arcade.

Below I pick out just a few of the things that caught my eye.

The exhibition is open until April 3, every day except Sundays, from 10 am to 9pm. Admission, £2.50 adults, £2 children.

Mint Julep sofa that opens out into a double bed and a matching chair

Photographs by Trevor Humphries

Amid the acres of overblown Italianate settees, the shiny velveteens, the kitchen cabinets sporting dark mullioned windows, one tiny stand caught the eye. With the evocative name of Confetti it was an island of everything fresh, new, simple, pleasing and joyful.

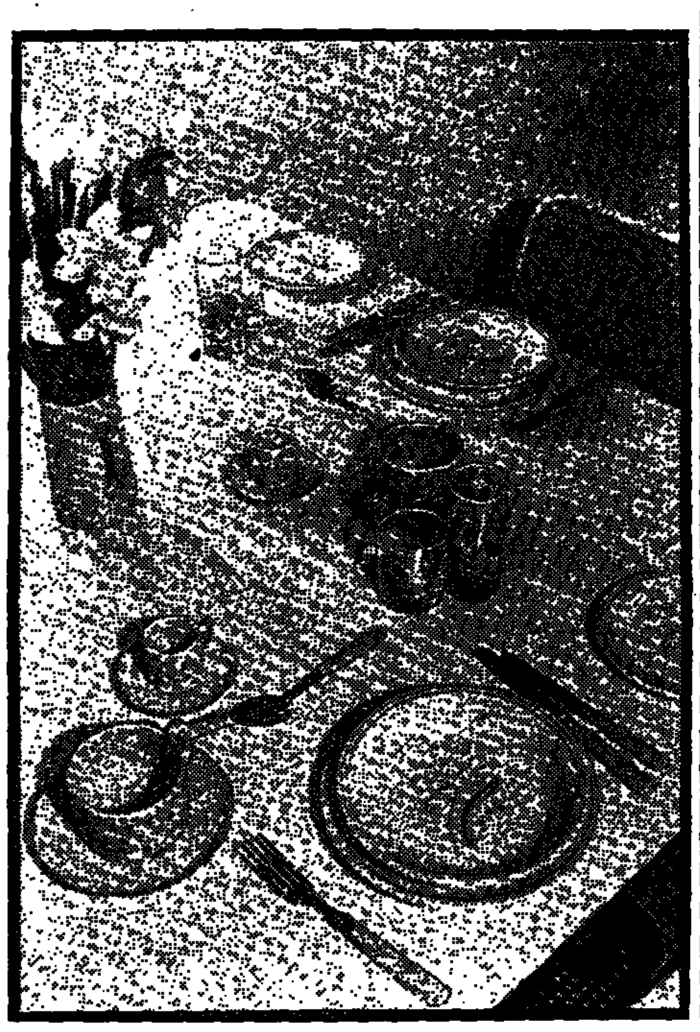
A joint enterprise by Banks Heeley (long known for introducing a breath of fresh air into the world of interior design) and Robert Whiting (who used to make inexpensive but luscious seating) Confetti aims to put together a collection of desirable furniture and accessories for the house. Some will be designed and manufactured specially for the company, others will be imported.

At the Ideal Home Show (stand No. 25) is Confetti's first offering. What first catches the eye is that the Confetti collection is one of the few to have noticed that there is a whole new mood in interior furnishings—fondant colours like soft yellows, pinks, blues and greens have replaced all those rich autumnal colours. The look is light, young and redolent of sunshine and flowers. Confetti has captured it all.

There is a plain but infinitely desirable white square table — capable of seating eight people, it has a pleasing air of sturdiness and honesty and its special exhibition price is only £179. There are matching chairs, which seem to have something of the Bauhaus about them but lack the Bauhaus severity, which cost £27 without arms, £29 with (again these are special exhibition prices). Spattered about the table is an enchanting selection of ceramics — all in fondant colours of blue, pink, yellow, the collection is based on clouds or confetti-like blobs of colours. Prices are remarkable — six coffee cups and saucers for £6.95, tumblers (enlivened with clouds and rainbows) for 95p each, and a matching tablecloth and napkin set for £3.95.

Anybody who needs a sofa that turns into a bed should look at the two versions on the Confetti stand — both are covered in a bright and cheerful self-striped strawberry pink and the more sophisticated Seventh Heaven (it turns into a proper orthopaedically correct 4 ft 6 ins double bed) is £699, while Mint Julep, which turns into the sort of bed that is more suitable for occasional sleeping, is just £255. Both prices include full sets of toning sheets.

If you cannot get to the exhibition write for further details directly to Confetti, Abbots Yard, Royston, Herts.



White Domani table laid with Confetti and Cloud tableware

THE Tota child's foldaway chair, photographed here, is the kind of product any parent of a small child will want to buy at once. It is, in essence, a portable, foldaway high chair. Though most parents invest in a high chair which they use in their own home, taking their child on holiday or to other people's houses poses a considerable problem—how do you feed a small child without one?

Two sisters, who also happened to be children's nurses running a nursery, discovered from the young mothers they dealt with that the lack of a high chair was a constant problem. So they set out to provide the answer.

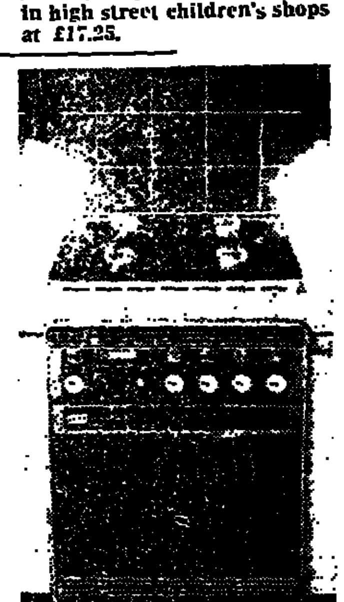
Tota clamps on to almost any table or worktop and it has been tested to hold a weight up to five stone. To protect the furniture or worktop the clamping devices are protected, while the seat is made from a high-bulk nylon finished with a silicon elastomer coating to protect it from tearing or staining.

Its chief joy, of course, is its lightness and portability—it could be carried under the arm, in a carrier bag or in a suitcase with ease.

It has already won plenty of awards and has been featured on BBC Television's Nationwide programme. It can be seen and bought at the Ideal Home Show, stand 864 (special exhibition price £13.95) but is also available in high street children's shops at £17.25.

IF YOU'RE thinking of buying a new cooker, the Ideal Home Exhibition is a very good place to start. There under one roof you will be able to see the latest offerings, fired by gas, electricity or solid fuel, and browse around and ask questions at your leisure.

Cookers have become infinitely more streamlined over the passing years (possibly too streamlined if you're old-fashioned enough to think that cookers should look more as if they bear some relationship to good honest food than to a micro-chip controlled spaceship). However, if the advanced technological look is what you like then they don't come more gleaming, more shining, more logical than the Cannon Unit 600 De Luxe, built under gas fired oven/hob, shown right.



Its chief claim to fame and the sort of glory which won it one of the Daily Mail's Blue Ribbon Awards for 1982 is that its dimensions mean that it can be slotted neatly into almost any standard 600 mm cabinet. This not only means that the work surface can be continuous (no breaks and gaps to trap the dust or spilled food) but it is also a very economical use of space.

As you can see from the picture the hob is placed on the work surface, the oven is below it and all the hotplate controls are just below the worktop level. There are four burners and the oven will take a 25 lb turkey.

There are all the features beloved of those who like to feel they are fully abreast of modern technology—the ubiquitous micro-chip controls, the automatic oven and what the press release refers to as the "minute-minder facility" (timer to you and me). There's a digital clock of which the green luminous display is apparently a noteworthy feature. All this for £545. See it on the British Gas stand.

TAKE one good idea, multiply it several times and you must surely be on to a winner. That's what Grawater of Windsor has done with its ingenious new Satellite wiring system currently on show in the Safety and Security Arcade at the Show. The key phrase is "extra low voltage switching" but don't let that put you off for with this wonder you can unlock some of the important problems that we meet in the course of our lives: burglar alarms, personal security systems, help signs for the aged, hi-fi wiring and what are called energy savers for reducing heating bills.

What's likely to appeal even more to the homeowner is its triple advantages of being utterly safe, inexpensive and easy to install. So far so good, but what you might ask, is "extra low voltage switching?" Basically there are three ingredients. The heart of the system is the converter unit, the size of half an egg box, which cleverly converts mains current (240v) into a minimal 18 volts, making the wires safe to handle even under hazardous conditions. The artery of the system is the near invisible self adhesive wire which can be readily fixed to any clean, dry surface. And finally there is a range of low profile surface-mounted switches designed for easy fitting to any flat surface (windows, doors, skylights etc) without the necessity of insetting. All components are made to relevant specifications and standards.

Together the three items add up to a variety of ingenious "aids" to living, the principal of which is an extremely competitively priced burglar alarm system (£79.95), easy enough for the do-it-yourselfer to install to his own requirements. A loud alarm bell comes with the Satellite Homeguard kit but equally the system can be connected to tape recorders with tapes of dogs barking or voices which come into operation at the same time as lights go on. It can be as simple or complex as you wish to make it.

By the same principle, hi-fi enthusiasts can simply and easily take music to all corners of the house and even into the garden. Using a system of micro plugs and sockets connected to the self-adhesive wiring all you need to install the required speaker points is a ⅛ in drill and a small screwdriver. The Satellite Micro Wiring kit costs £4.95 for 10 metres of wiring.

Find the Micro Wiring kits at most Wellco electrical retailers at the Show itself and Homeguard kits are available direct from Gladstone Law Electrical, Ascot House, Windsor, Bucks.

●

Make an effort to find one of the most charming exhibits at the show—the Zanussi collection of Household Appliances on Stand 81. Honor Godfrey, the museum curator, has been scouring attics, sheds and outhouses for the past two years, putting together a unique collection of original, early domestic appliances, some of which are shown in the sketches at the top of the page. The collection has its first public airing at the show and it is a marvellous opportunity to see just how greatly science has changed our daily lives.

Cook and Moore get past the Censor

VIDEO REVIEW

NIGEL ANDREWS

IN HIS column last week, my video colleague John Chittock lobbed an interesting question in my direction. Speaking about the march of video, he speculated — how long before his colleague N.A., now reviewing feature films on cassette, began permanently to shun the preview theatres of Soho for the rewards and comforts of home viewing?

Not yet awhile, I trow; although the question is pertinent as screen entertainment technology moves ever more surely and swiftly in the video direction. But several months of cassette-viewing — on different machines, with myriad casefuls of movie software — have convinced me that there are horrors as well as pleasures in the home-viewing habit.

First and most conspicuously, the rapidity with which feature movies move into the video market allows an almost instant compare-and-contrast exercise between the picture quality of films on the big screen and that of films on the small. And at present the comparison is a merciless one for cassettes. Definition and colour-toning are often poor to very poor. And this not because hiccoughs in the hardware haven't yet been soothed away—although there's always room for refinement — but because many of the major companies turn out their video-copies in glorified battery farms where there is scant regard for visual nuance, and sometimes even for visual adequacy.

Copies vary, of course, and for every blotchy, hailstormed copy of *All That Jazz* or *Flash Gordon* there may be a shiny snazzy paragon: although even the best tapes today will not match the quality of a good 35-mm, let alone 70-mm, print in a cinema. (Laser-discs, due to be introduced in Britain soon, may inch video-viewing further towards aesthetic competitiveness.)

But there is no good reason why a commercial pre-recorded tape should not be at least up to the picture quality of the films—or bits of films—you record for yourself from the small screen. And video consumers should keep barking at the heels of the major companies if they feel their taped goods fall short of that mark.

Meanwhile, the great "plus" of the video cassette culture is the richness of the filmic fall-out on offer. Let us skate fleetly over the fact that it's sometimes all too clear why a movie has not clambered to acclaim on the big screen: it's a jealously concealed turkey let loose only to private customers. At other times, though, the reasons for concealment may be more rare and fascinating.

In *Derek and Clive Get the Horn*, for example, Peter Cook and Dudley Moore present themselves at work and play in a marathon recording session for an LP album. It was the Censor who put the kybosh on this film's big screen release, and the letter giving his reasons is reproduced—not with complete absence of mischief—on the jacket of the video-cassette.

"The point of this comic exercise is to be as offensive as possible and to break every taboo the performers can think of. Cutting would be pointless . . . The offensive references to the Pope and Holocaust are not, in our view, illegal, though they will certainly prove deeply offensive to some people."

Spraying four-letter words and risqué anecdotes, the film is indeed prodigiously foul-mouthed. But it's also often prodigiously funny. There the Demon Duo sit, eyes ablaze, brains ticking over and heads covered with earphones, minting sketches, dialogues and soliloquies.

Moore spills a bag-ful of figs over the studio floor, mimics a gale-force harpy of a possessive mother (to Cook's quailing son) and diverts himself horizontally with a blow-up female doll.

Cook tells of his sexual over-potency problems and the letters he has written on the subject to Prime Minister Thatcher; relates how a rare "barking toad" has been found by scientists in a friend's underwear; and commentates on a horserace where the nags are all named after intimate parts of the anatomy, pursuing each other ribaldly towards a photo-finish climax.

For good measure there is also an interfered with cameraman, several lubricious coffee breaks and a stripper.

You may or may not laugh yourself into a decline over the material. It's 90 minutes long a pair of scissors might profitably have been wielded in the windier passages. But a different pair of scissors—the Censor's—is exactly what the movie elsewhere rejoices in having outwitted. Its "offensiveness" is entirely in the eyes and ears of the beholder, and it's a triumph for the video-cassette market that it has afforded sanctuary to a gangling and glorious workshop work-out between two top comedians. For once, never mind the picture quality—it's strictly rough and ready—feel the width of wit and the sense of fecund freedom.

Derek and Clive Get the Horn is available for both rental and purchase (£39.95) and is distributed by Videospace Ltd.

ARTS

National on the move

THE National Gallery prospers through stealth. It never makes a public fuss about the size of its grant, even though the £6.04m it is to receive in 1982-1983 is no more than the price of three masterpieces at auction. It slowly acquires works through private treaty sales; through the generosity of benefactors; through the operation of the National Heritage Fund.

Now is starting to promote its virtues: after all it does possess the best comprehensive art collection in the world. It is looking ahead—to 1984 when a new Special Exhibition Room, financed by the Bernard Sunley Foundation, opens. And to a far distant date when, at last, the long desolate Hampton site alongside the Gallery is developed.

The National Gallery has decided not to wait for the Government to pu up the money for an extension or for the day when it can afford to provide a new site for the National Portrait Gallery on the South Bank, releasing that building for the National Gallery. So the gallery is going in with a developer—the bottom floors being set aside for offices while the top two storeys, probably to be joined to the National Gallery by a bridge, will provide the extra space needed to show a collection which expands by seven to ten paintings a year, and also to hold large scale exhibitions. The extension is also earmarked as a distinctive *home for the Gallery's early Rennaissance paintings*. Because the site is one of the most important in London an architectural competition is already underway to ensure an acceptable building.

But the extension is still many years off. In the meantime the Gallery is examining ways of being more informative about its paintings perhaps by offering free take away details about the key works in each room, a better solution than placing material alongside the paintings—too often visitors absorb the data while scarcely glancing at the picture.

At the moment certain paintings are carrying informative details—some of the best of the new acquisitions. The last two years have brought in notable catches—the Altdorfer "Christ taking leave of his mother," currently being repaired; Degas' "Hélène Rouart in her father's study," and a most notable Claude, "The enchanted castle," which should be seen before it goes on temporary loan to Washington.

ANTONY THORNCROFT

A detail from The Deposition by the Master of the St Bartholomew Altarpiece, acquired by the National Gallery last year. It had been on loan from the Earl of Halifax for some years. Having the financial resources to buy paintings on loan when the need arises is a major problem facing the Gallery

Vienna Philharmonic

With memories of Monday's glorious Festival Hall concert still searingly fresh, the Vienna Philharmonic's second London concert on Thursday was inevitably less overwhelming. That it took place in the Albert Hall, with that place's disembodying of the most vivid performances, and before an audience which fidgeted and was too easily distracted, was only a partial explanation. For in terms of interpretation Eugen Jochum's Beethoven is less revelatory than his Bruckner, and his approach to the Jupiter Symphony less fresh than the lively account of the 33rd symphony which began Monday's concert.

The comparison between the two Mozart performances is telling. For where in the earlier work Jochum had allowed the orchestra its head, encouraging those marvellous strings to phrase as came naturally, the grander gestures of the Jupiter demand a firmer, more prescriptive control. The smoothness with which the first movement was reeled off kept its contours too indistinct, and the unusually careful handling of the slow movement gave the music a weary, regretful air which seemed to lack a convincing context. The balance of the woodwind instruments especially, was not always adjusted to the hall's vast expanses; some telling details lost themselves before reaching the rear of the arena.

A want of sheer physical exuberance also deprived the Jupiter's finale of its force, and that unwillingness to yield to the excitement of the moment had earlier made the *Egmont* Overture — a remote and mysterious introduction apart— less than compelling, and kept parts of the Eroica Symphony short of a crucial impact. Yet the symphony contained many marvellous things: the climactic dissonances in the first movement delivered with such power and finality; the slow movement managing to plumb the depths of emotion at a relatively brisk tempo, aided by totally natural oboe playing; most of all the finale, the last loving examination of its themes presented in the broadest possible sweeps.

ANDREW CLEMENTS

B. A. Young lends an ear to a week's radio drama

How it turned out

Ian Rodger's book *Radio Drama*, of which I've just got the paper-back edition (Macmillan), draws on all the available sources of information, but in fact only deals with the development of radio drama up to the middle sixties. In the 60 years it covers (the first broadcast of a play specifically written for radio was made in 1923), surprisingly little artistic progress seems to have been made. Tyrone Guthrie's and Lance Sieveking's plays of the '20 and '30s used techniques as advanced as anything used today; and there are scripts now as simple and unexperimental as the kind of thing Val Gielgud would have liked to become the BBC's standard pattern.

I will come back to this book again on another occasion, but my present object is to have a look at four fairly representative plays and see how much development there has really been.

Least experimental by far was *The Unexpected Guest*, an hour-long Agatha Christie teaser in Radio 4's Afternoon Theatre spot on Friday. The plot is a typical Christie deceit. Michael Starkwedder goes unannounced through the unlocked french window of a country house near midnight and finds Laura Warwick with a pistol in her hand and her husband Richard shot through the head. (Richard Warwick! Does his agent know?) With the aid of some unlikely dodges, some unstable characters and some dopey police, Dame Agatha shifts the blame successively on to four characters and then shifts it off them, before allotting it to the very character who first discovered the crime. His real name (no harm in telling you now) was not Starkwedder but McGregor.

The action only lasts 24 hours, at the end of which another character is dead, one is fatally ill, one is suspected of blackmail, one is in love with the murderer. The direction by Gordon House, and the playing by his company, is as square and uneventful as could be.

Afternoon Theatre on Wednesday gave us *Hamish and Max*, which I naturally made for because it was by James Cameron. Mr Cameron tells us in a little article in The Listener, that expensive weekly advertised on the radio every five minutes, that the play is autobiographical, that he wrote it to recall happy days in his youth.

Hamish is in fact James Cameron, Max is his father William Ernest Cameron. After his wife's death, Max leaves practising the law and takes to writing cheap fiction (like Dornford Yates). He has asthma and incipient alcoholism. Hamish, meanwhile, becomes a reporter and marries his landlady's daughter, who dies in child-birth. All these things happened to Mr Cameron, which no doubt explains the lack of drama he has given them in his account. But the playing of Nigel Anthony and Frank Middlemass as Hamish and Max, directed by Alfred Bradley, injects some feeling into the play.

If we are looking for anything progressive, we must turn to Radio 3. Sunday's *On Top*, an attractive piece by Liane Aukin, uses techniques that are common today but would have been way-out in the '30s. The orchestration of the simple negative, "Sorry, caller, no reply" is just like the suburban-platform scene in Guthrie's *Squirrel's Cage* of 1929, amplifying the trivial to make it important.

The plot is romantic: Cissie has retired from life but is tracked down by Mickey, her old boy-friend. Simultaneously she is tracked down by Baker, an oddly reticent policeman, who thinks she may have some useful evidence in a bomb prosecution. Nothing unorthodox here except the casting of a boy to play a grocer's boy. When I wrote radio drama I often included a boy because I needed as many different vocal qualities as I could get, but they were always played by girls, usually by an actress called Denise Bryer. Jeremy Spenser directed.

Thursday evening's *Woodbrook*, adapted from David Thomson's book by Philip Donnellan, was a winner in every possible way. In form it was the popular shape of the interrupted monologue, Maurice Denham as David is recalling his days when, as an Oxford undergraduate, he used to go and teach the children of a retired major of the Anglo-Irish gentry, and falls in love with one of them.

It is the interruptions that make it so beautiful. They may only be a line or two of conversation; or a few seconds' reminiscence: a song, or even a sound. Though the piece—it is hardly a play, more a landscape—begins at the beginning and ends at the end, in the late '30s and the war years, chronology is loose, and the reader may easily recall an perhaps not even remembering incident from the future, where it should come in his mosaic. An extra quality of vividness has been obtained by recording some voices of country people from Roscommon, where the action takes place.

Kevin Flood and Siân Phillips as the major and his wife, Joseph Blatchley as the young David and Janina Faye as the 12-year-old Phoebe are perfect. This wonderful production is by Maurice Leitch.

London Sinfonietta BY MAX LOPPERT

The most recent of the BBC College Concerts, given at the Royal College of Music on Thursday and featuring the London Sinfonietta under Oliver Knussen, was a programme promising much on paper that proved for the most part deterringly dry in the actual experience. Much interest attaches to the name of Stefan Wolpe (1902-72), Berlin-born Schreker and Busoni pupil, later American resident, prolific composer, famed teacher, and father of the pianist Katharina Wolpe (who appeared in this concert).

His music, little heard, carries the reputation of awesome intellectual rigour warmed by passionate temperament. The three Wolpe pieces given on Thursday—two short piano solos, *Form I* and *Form IV: Broken Sequences*, and the Chamber Piece No. 2 (played twice)—were therefore, I fervently hope, unrepresentative: "idea" pieces, thoughts about musical processes tracked along bar lines that, when fleshed out in sound, reveal not a single involving or animate sound-image from first note to last. The Chamber Piece, buzzing and throbbing, was marked by a certain nervous vibrancy of impact that lifted it above—not very far above—the tedium-in-a-short-space of the piano music.

Another distinguished theorist and composer from America, George Perle, opened the concert with Concertino for piano, winds, and timpani — a neo-Stravinskyan exchange of uninteresting courtesies between instrumental groupings, at once brazen and stolid, assertive and insubstantial. John Lambert's *Time and Tides*, receiving here its premiere, offered exchanges of a different kind — between a foreground orchestra and an amplified background string section. The nub of the piece, Arnold Whittall's introduction told us, was "a dialogue between flow and pulsation," not mere musical picture-making; but swatches and blotches of sound noisily thrown at the listener (the amplification apparently entirely lacking in appreciable dramatic or musical purpose) hardly carried conviction as musical argument of any weight. At the close of such a concert, Alexander Goehr's music-theatre piece, *Sonata about Jerusalem*, was presented in the best possible light — a brilliant, subtle, and provoking fusion of thought-process *and* sound.

Sanderling BY DOMINIC GILL

One of the most regular, and most peculiarly satisfying features of Kurt Sanderling's concerts is the experience of some new perspective, some quietly penetrating illumination, offered without slickness or gimmick, of a familiar work. On Thursday, at the second of two Festival Hall concerts with the Philharmonia, which he conducted last week, one of the most striking illuminations was of the evening's first and shortest and most familiar work of all, Beethoven's Egmont Overture—imbued by Sanderling with radiant energy and marvellous clarity: shaped without a trace of bar-by-bar histrionics, drawn together firm and whole with irresistible forward momentum.

There was nothing simple-minded about the reading, which was yet set apart by a kind of simplicity and naturalness: a wealth of expressive nuance, complex rather than complicated, which never resorted to mere expressive fidgeting. His account at the end of the evening of Schubert's Great C major Symphony was similarly uncomplicated, bold in its design, held in the closest focus. The delicate contrapuntal textures of the andante were controlled with the palms of the hands, as if they had palpably physical shape. Visual parallels constantly suggested themselves, above all in the scherzo, whose swirl and sweep summoned huge, kaleidoscopic *celebrations of dance*.

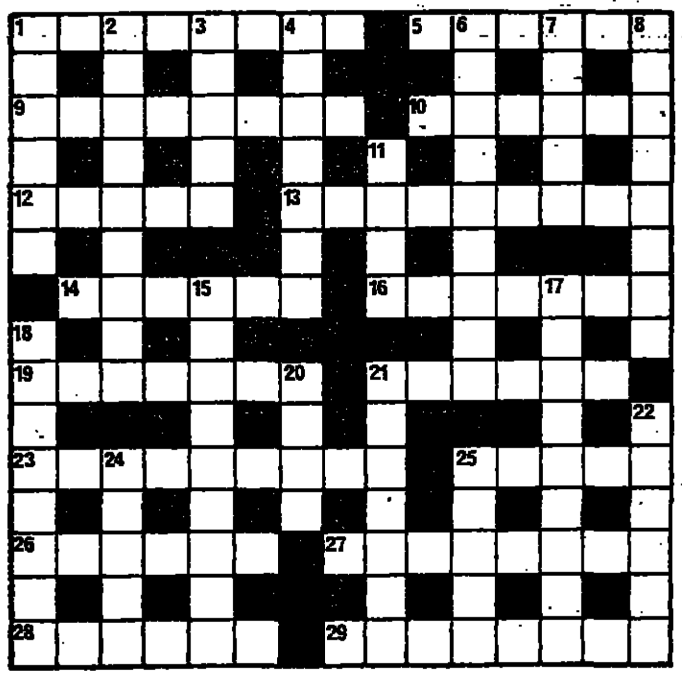
Between whiles, in Liszt's A major piano concerto, the soloist was Alfred Brendel. In its admirable pungency and clarity his playing matched every expectation. But there have been more sensuous performances among them Brendel's own, which have underlined more fulsomely the sudden caress, the almost tactile curl of phrase, the very amorous irony, of this mercurial and sexy music. I found the playing impressive, and obstinately earthbound—its melting moments too sharply chiselled. Perhaps this is how Brendel hears the music, and how he meant it: others may have perceived ardour where I felt none. Sanderling's orchestral partnership was a model of discretion and quick, responsive courtesy.

F.T. CROSSWORD PUZZLE No. 4,821

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



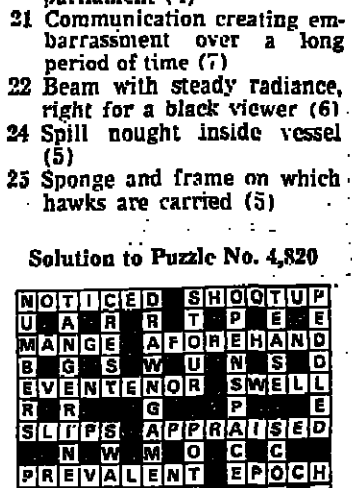
ACROSS

1 Ignore a feast (8)
5 Father, saint or shepherd (6)
9 Forbidden to speak, being incorrectly licensed (8)
10 The first product in smelting sounds like a condiment (6)
12 I'm taking time for reflection (5)
13 A small drink for little boy and family (9)
14 Glittering metallic spangles are a loss in Scotland (6)
16 Goods in this arc on the way (7)
19 Left article with three feet for a painter (7)
21 Compensate to settle quarrels (4, 2)
23 Vulgar and without sense (9)
25 Hear a round for three or more voices (5)
26 Wood-louse for example, I thus shell, but it hasn't one (6)
27 Orange-coloured Chinese statuette (8)
28 Regret creeping (6)
29 One who wards off a champion (8)

DOWN

1 Father with schoolgirl turning up everywhere (6)
2 Article left in position is spurting (9)
3 A lightweight feline? (5)
4 Type of triangle that's infinite (7)
6 Fruit lifting apparatus, producing a type of American brandy (5-4)
7 Physically and mentally dense (5)
8 Greek white wine made near Asti? (8)
11 Pick out a place to tarnish (4)
15 Scatter feathers for a temporary bed (5-4)
17 Speak in outhouse with windows covered (9)
18 Fool her about one draper (8)
20 Planned selection of food in parliament (4)
21 Communication creating embarrassment over a long period of time (7)
22 Beam with steady radiance, right for a black viewer (6)
24 Spill nought inside vessel (5)
25 Sponge and frame on which hawks are carried (5)

Solution to Puzzle No. 4,820



TV/Radio

BBC 1

† Indicates programme in black and white

6.25-8.55 am Open University (UHF only). 9.05 Swim. 9.30 Swap Shop. 12.12 pm Weather.
12.15 Grandstand including 12.50 News Summary; Football Focus (12.20); World Ice Skating Championships (12.55); Profile: John Francome (1.05); Racing from Chepstow (1.25, 1.50, 2.20, 2.50); Basketball (1.40, 2.10, 3.10) The Just Juice National Championships Finals; Athletics (2.40, 3.10) England v U.S. 3.45 Half-time football scores; Rugby League (3.55) State Express Challenge Cup, 3rd Round: Bradford Northern v Widnes: 4.35 Final Score: Classified check and pools news.
5.05 The All New Pink Panther Show.
5.25 News.
5.35 South West (Plymouth): Spotlight Sport, all other English regions: Sports/Regional News.
5.40 The Dukes of Hazzard.
6.30 Jim'll Fix It.
7.05 Ken Dodd's Showbiz.
7.40 The Saturday Film: "The Last Train from Gun Hill" starring Kirk Douglas, Anthony Quinn and Carolyn Jones.
9.10 Dallas.
10.00 News and Sport.
10.15 Match of the Day.
11.15 Michael Parkinson and his weekend guests.

REGIONAL VARIATIONS: Cymru/Wales — 5.35-5.40 pm Sports News Wales.
Scotland—9.05-9.30 am Mag Is Mog. 5.35-5.40 pm Scoreboard. 10.15-11.15 Sportscene. 12.15 am News and Weather for Scotland.
Northern Ireland—4.55-5.05 pm Scoreboard. 5.35-5.40 Northern Ireland News Headlines.

BBC 2

6.25-9.20 and 9.45-3.10 pm Open University.
†3.35 Saturday Cinema Double Bill: "Another Shore" starring Robert Beatty, Stanley Holloway and Moira Lister.
†4.50 "Twice Round the Daffodils" starring Donald Sinden, Donald Houston and Kenneth Williams.
6.15 A Second Chance to Learn.
6.45 Did You See . . .?
7.25 News and Sport.
7.40 The Royal Ballet in "Manon," from the Royal Opera House, Covent Garden: a three-act ballet by Kenneth MacMillan. Music by Massenet, starring Jennifer Penney as Manon and Anthony Dowell and David Wall.
9.40 Film International: "Ecoute Voir" starring Catherine Deneuve.
11.40 News On 2.
†11.45-1.30 am Midnight Movie: "The Seige of Pinchgut" starring Aldo Ray.

BBC2 Scotland only: 3.10-4.50 pm Conference 82: Live coverage of this afternoon's debates at the annual conference of the Labour Party in Scotland.

LONDON

8.35 am Sesame Street. 9.35 Space 1999. 10.30 Tiswas.
12.15 pm World Of Sport: 12.20 On The Ball; 12.45 Figure Skating—World Championship highlights from Copenhagen: 12.55 Motor Racing—The Daytona "500;" 1.05 World Cup Skiing from Aspen, Colorado; 1.15 News; 1.20 The ITV Six from Kempton and Ayr; 3.00 Boxing — Middleweight Championship of the World —from Atlantic City; 3.45 Half-time Soccer News and Reports; 4.00 Wrestling; 4.50 Results.
5.05 News.
5.15 Happy Days.
5.45 Dick Turpin.
6.15 Mind Your Language.
6.45 3-2-1.
7.45 Hart to Hart.
8.45 News.
9.00 "Sweeney" starring John Thaw and Dennis Waterman.
10.50 OTT.
11.50 London News Headlines followed by Johnny Carson's Tonight Show.
12.30 am Close: Sit Up and Listen with Ann Todd.

All IBA Regions as London except at the following times:—

ANGLIA

9.00 am Sesame Street 10.00 Sport Billy. 5.15 pm Mr Merlin. 7.45 Magnum. 11.50 Barney Miller. 12.20 am At The End Of The Day.

BORDER

9.35 am Space 1999 5.15 pm Mr Merlin. 7.45 Magnum.

CENTRAL

9.05 am Paint Along With Nancy. 9.30 Sesame Street. 5.15 pm Mr Merlin. 7.45 Magnum. 11.50 True Luv.

CHANNEL

5.15 pm Mork and Mindy. 5.40 Puffin's Pla(i)ce 7.45 The Fall Guy. 11.50 Video Sounds.

GRAMPIAN

9.05 am Sesame Street 10.05 Joe 90. 5.15 pm Mr. Merlin. 7.45 Magnum. 11.50 Reflections. 11.55 Dolly, hosted by and starring Dolly Parton with guest Tennessee Ernie Ford.

GRANADA

9.20 am Spiderman. 9.40 Thunderbirds. 5.15 pm Bugs Bunny. 5.20 Chips. 7.45 Magnum 11.50 Mannix. 12.45 am The Living Legends of Blues: Ko Ko Taylor.

HTV

9.15 am The Adventures of Black Beauty. 9.40 Thunderbirds. 12.13 pm HTV News. 5.14 HTV News. 5.15 Mr Merlin. 7.45 Magnum. 11.50 Mannix.

HTV Cymru/Wales—As HTV West except—9.15-9.40 am Razzmatazz. 5.15-5.45 pm Siôn a Siân.

SCOTTISH

9.15 am Vicky The Viking. 9.40 Thunderbirds. 5.15 pm Mr Merlin. 7.45 Hart to Hart. 11.50 Late Call. 11.55 That's Hollywood.

TSW

9.05 am Wheelie and the Chopper Bunch. 9.30 The Saturday Show. 10.30 The Incredible Hulk. 11.20 Survival. 11.45 University Challenge. 12.12 pm TSW Regional News 5.15 Mork and Mindy. 5.40 Newsport. 7.45 The Fall Guy 11.50 Video Sounds. 12.20 am Postscript. 12.25 South West Weather and Shipping Forecast.

TVS

9.00 am Saturday Brief. 9.05 Sesame Street. 10.00 Here's Boomer. 5.15 pm TVS News. 5.20 Mr Merlin. 7.45 Magnum. 11.50 Barney Miller. 12.20 am Company.

TYNE TEES

9.00 am Cartoon Time. 9.10 Sport Billy. 9.40 Thunderbirds 12.13 pm North East News 5.15 North East News. 5.17 Mr Merlin 7.45 Magnum 11.50 Housecalls. 12.20 am Three's Company.

ULSTER

10.00 am Stingray. 1.18 pm Lunchtime News. 5.00 Sports Results. 5.13 Ulster News. 5.15 Mr Merlin. 7.45 Magnum. 3.59 Ulster Weather. 10.50 The Monte Carlo Show. 11.40 News At Bedtime.

YORKSHIRE

9.00 am The Saturday Morning Picture Show: "Tarzan Goes To India," starring Jock Mahoney 5.15 pm Mr Merlin. 7.45 Magnum. 11.50 That's Hollywood.

RADIO 1

(S) Stereophonic broadcast.

5.00 am As Radio 2 7.00 Wake Up To The Weekend with Adrian John. 8.00 Tony Blackburn's Saturday Show. 10.00 Paul Burnett. 1.00 pm Adrian Justo (S). 2.00 A King In New York (S) 2.05 Paul Gambaccini (S) 4.00 Walters' Weekly (S). 5.00 Rock On (S). 6.30-7.30 In Concert (S).

RADIO 2

5.00 am Peter Marshall with the *Saturday Early Show (S)*. 8.03 Racing Bulletin. 8.05 David Jacobs (S). 10.00 Emmylou Harris with her Star Choice of records (S). 11.02 Sports Desk. 11.03 Everett Beware! (S). 1.00 pm Know Your Place. 1.30 Sports On 2: Football: Spurs v Liverpool, commentary on whole game; Rugby Union; The John Player Cup quarter-finals; Rugby League: The Challenge Cup; Ice Skating: The World Figure Skating Championships from Copenhagen: 5.00 Sports Report. 5.45 Classified Racing and Football results. 6.00 Country Greats in Concert. 7.00 Beat The Record 7.30 Big Band Special with The Radio Big Band (S). 8.00 Saturday Night Is Gala Night, *including interval talk by Peter Clayton* (S). 10.00 A Century of Music (S). 11.02 Sports Desk. 11.10 George Ferguson's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.00 Robert Mayer Concert (S). 12.15 pm Bandstand (S). 12.45 Grieg (S). 1.00 News. 1.05 Early Music Forum (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Classical Guitar (S). 7.15 "I Puritani" opera in three acts by Bellini (S). The new Welsh National Opera production (sung in Italian) from the New Theatre, Cardiff, Act 1. 8.30 Interval Reading. 8.46 "I Puritani," Act 2. 9.25 Interval Reading. 9.40 "I Puritani," Act 3. 10.30 So My Particular Friend (S). 11.00 News 11.05-11.15 Alexander Tcherepnin (S).

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Yesterday in Parliament. 8.57 Weather, travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week In Westminster 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. *12.02 pm Money Box. 12.27 Just A Minute* (S). 12.55 Weather, programme news. 1.00 News 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty Minute Theatre. 2.35 Medicine Now. 3.05 Wildlife. 3.30 The British Seafarer (S). 4.15 Feedback with Tom Vernon. 4.30 Does He Take Sugar? 5.00 What Are We Doing To The Children? 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News. 6.15 Desert Island Discs (S). 6.55 Stop The Week with Robert Robinson (S). 7.35 Baker's Dozen (S). 8.00 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Something To Declare. 11.00 Lighten Our Darkness. 11.15 A Word In Edgeways. 11.45 A Place To Dream. 12.00 News.

BBC RADIO LONDON

5.00 am As Radio 2. 7.32 Good Fishing 8.00 News, weather, travel. 8.05 Weekend What's On. 8.30 Travel Round-up. 8.33 Westminster at Work. 9.00 News, travel. 9.03 On the Rates. 9.30 Openings. 10.02 All That Jazz. 11.30 *The Robbie Vincent Show*. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 5.30 Quest. 6.00-6.00 am Join Radio 2.

LONDON BROADCASTING

7.00 am AM with Jenny Lacey and Magnus Carter. 10.00 Jellybone with Tommy Boyd. 12.00 LBC Reports with Des Fahy. 1.00 pm Sportswatch with Dominic Allen. 6.00 LBC Reports with Des Fahy. 7.00 Geet Mala (programme for Asian listeners). 8.00 Network. 9.00 LBC Special: A Roof Over Your Head (fourth and final part of this major investigation in London's housing). 10.00 Nightline. 1.00 am Night Extra 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

CAPITAL RADIO

7.00 am Graham Dene's Breakfast Show. 10.00 Pick of the Pops. 12.00 Peter Young 2.00 pm Afternoon Delight. 5.00 Soul Spectrum. 8.00 Juke Box Saturday Night. 9.00 Richard Digance. 10.00 Roots Rockers. 12.00 Midnight Special.

Solution and winners of Puzzle No. 4,815

Mrs G. W. Wallis, Pynot Fields, 19b, Somersall Lane, Chesterfield.

Mr John E. Brown, 22a, Sewell House, Belmont Road, Winscombe, Avon BS25 1LQ.

Mrs E. Johnston, 21, Courtfield Close, Sudbrooke, Lincoln.

CHESS SOLUTIONS

Solution to Position No. 414

1...K-N5; 2 K-B2, K-R6; 3 K-N1, P-QR4; 4 K-R1, P-R5; 5 PxP, KxP! 6 K-N1 (or 6 K-N2, P-N5; 7 K-B2, K-R6), K-R6; 7 K-R1, P-N5; 8 K-N1, P-N6 and White resigned. After 9 PxP, KxP Black's king marches across the board to eat White's K-side pawns.

Solution to Problem No. 414

1 R-QB3 (threat 2 R-QB8 and 3 RxB mate), B-Q2; 2 R-KN3, B-K3; 3 B-Q4 mate. False trails are 1 R-K3? B-N3; 2 RxP, BxP or 1 R-KN3? B-B2 or 1 R-QR3? B-B3; 2 R-KN3, B-Q4.

CONTINUED ON NEXT PAGE

COLLECTING

Russian porcelain propaganda chess-set dated 1936

Pawns move, kings buy

BY JANET MARSH

THE TEMPERAMENTAL tantrums of modern chess masters are nothing new, it seems. The earliest recorded chess enthusiast in these islands, King Canute no less, seems to have behaved with manners far worse than Bobby Fischer would ever have displayed.

It seems that Canute quarrelled one day while playing with Earl Ulf, whereupon Ulf upturned the board. A couple of days later the resentful King had poor Ulf murdered as he worshipped in church.

Some allowance should be made, perhaps: chess at that time was a much slower and probably tedious game. The rules have changed considerably in the 14 centuries of its known existence; since late mediaeval times the elaboration of the moves allotted to the various pieces has greatly speeded things up. The Queen, for instance, was until the 15th century the weakest piece on the board, permitted only a one-square diagonal movement.

In their long migration from sixth century India, the individual pieces often changed their name and character to suit different periods and races. Well over 500 different patterns of the chess set have been recorded; so that this is a rich field for the antique collector, who may or may not be a player.

Canute (if he really did play: the stories of his gamesmanship may well be apocryphal) probably played with a set much like the Viking-carved one in the British Museum, excavated on the Island of Lewis in the last century. Formed out of walrus ivory, the squat, glum, strongly characterised figures already take the familiar forms of King, Knight, Rook and Bishop.

In the game's origins, however, the supporting pieces represented the four arms of an Indian army — chariots, elephants, horses and infantry (the pawns). In this masculine and martial world, there was no Queen: the place at the King's side was taken by a counsellor or vizier.

The evolution to the European chess set was due to a curious combination of etymological corruption and visual misinterpretation. The Persian name for the counsellor, for instance was *farz* or *firz*: and it may be that the French corruption of the word into *vierge* first gave its feminine character to the piece.

The original elephant of the Indian set underwent a more complicated metamorphosis. The English seem to have misinterpreted the stylized representation of the elephant's ears as an ecclesiastical mitre, which is why the piece came to be a bishop. However, the original Persian word for elephant *pil* was corrupted by the Arabs (who had no "p") as *fil*: and then by the French into *fol* or *fou*; so that the traditional French set represents the bishop as a jester. Such occupational complications did not affect Islamic sets; in accordance with the law which prohibits representation of men or animals, chess pieces made in Islamic countries are abstract in form.

Old Indian and Chinese chess sets were often exquisitely carved in ivory. In Europe, where the nobility of the game was protected by forbidding it to commoners, the earliest pieces were often made from precious metals, jewelled and enamelled. Throughout the 18th century the East India Company were importing richly carved and ornamented chess men; and the Chinese too did a lively trade — a favourite style was to incorporate into the plinth of each piece a filigree-pierced "puzzle ball."

Many of the East India Company sets represented the opposing sides as the Indians and the Company: some later examples depict the company bishops and pawns in top hats. This idea of representing political conflicts through chess pieces has persisted. Some rare sets commemorate the opposing sides in the Napoleonic conflict.

A much sought-after modern political set was produced in the early 1930s by the Leningrad porcelain factory, and represents the struggle of Communism against Capitalism. The Communist King is a heroic youth with hammer and sickle; the Capitalist King is a cloaked death's head. The Bishops on one side are commissars; on the other Imperial guards. The pawns, rather abruptly shorn off at the waist, variously carry sickles and sheaves of corn or are wrapped in chains.

A fairly good example of this set, dated 1936, is to be sold by Christie's on March 23, when it will probably realise between £2,000 and £3,000. The sale also includes 37 other chess sets, representing most of the major styles.

Ceramic chess sets are a collecting field on their own. There is a famous Meissen set; and John Flaxman designed chess men in Wedgwood Jasper ware, basing the pieces on characters in *Macbeth*, with Mrs Siddons as Queen. Perhaps the most endearing — not to say one of the rarest — of ceramic sets was designed for Doultons by George Tinworth in the 1890s, with each piece a solemn and personable mouse.

A modern Vienna porcelain set offered in Christie's sale will probably realise around £500.

What the traffic will bear

ONE IS FAR from applauding the increase in wine duties in this week's Budget. When in their native countries little or no taxes are imposed on wines, save VAT, it seems unreasonable that they should be so heavily burdened here; particularly under our fixed-excise duty system based solely on strength and content on the low-priced, modest-quality types. These duties are such a disproportionately high percentage of their basic cost and retail price; only the VAT rises on the finest classed-growth claret, the greatest *grand cru* burgundy. It is especially unfair that the small band of English wine growers, battling more often than not against unfavourable weather conditions, should have to pay the same tax as imported table wines.

Nevertheless, it must be faced that the duties on table wines have not in recent years increased as much as the rate of inflation; nor, to put it another way, as the decline in the value of "the pound in our pocket." The pound of January 1976 is now worth a little over 47p (official Retail Price Index figures). In 1976 the duty on what HM Customs call "light wines" was £5.90 on a dozen full-size (75 cl) bottles. Now it is £9.62.

This lag cannot be attributed to the tenderness of the Treasury or the Government towards wine-drinking as a solace in these hard times, but rather to their awareness that there is a limit to what the traffic will bear. For spirits this may already be resulting in diminishing returns, as last year's revenue forecast was far from met.

The unprecedented growth in wine consumption — from a bottle or two a head a dozen years ago to an estimated 12 litres in 1981 — has floated tax revenues up substantially; but who can predict the immediate future? How many of the 3m unemployed and their families have had to forego that agreeable, encouraging bottle on the Sunday lunch table?

Yet, it is a fact that wines, including sparkling and fortified types, have not been penalised harshly this week. It seems, however, that the annual pre-Budget buying rush had anyhow lost some of its momentum this year, and such is the depressed state of a good deal of the wine trade that doubtless it will be possible to buy at "pre-Budget prices" for several weeks. This will be advantageous to do, not only to save the duty increases, but because soon replacement stocks are more than likely to cost more; certainly for quality wines. This will be partly to take account of inflation in the wine-growing countries, but also owing to a shortage of some wines, particularly white wines.

There is now a very large, world-wide demand for white wines, and last year two of the principal sources, France and Germany had very reduced crops.

The biggest appellation contrôlée white wine area in France is Bordeaux. In the 1960s it used to produce an average of nearly 1.75m hl a year. Owing to poor prices, in many vineyards in the Bordeaux Blancs and Entre-Deux-Mers dry wine districts red wines replaced white, and in the 1970s average annual production was not much above 1m hl. But in 1980 it was only 860,000 hl and 770,000 hl last year. As a result, the trade price of a *tonneau* (=10 dozen botles) of Bordeaux Blanc has risen from FFr 2,250 a year ago to FFr 3,000 now; one of Entre-Deux-Mers from FFr 2,460 to FFr 3,190, and the same trend applies to superior appellations and the sweet bordeaux, too. White wine is also very short in the usually prolific Loire districts, and scarce in the Mâconnais.

WINE

EDMUND PENNING-ROWSELL

It is very much the same story in Germany. The Mosel has had two short crops running, and 1981 prices are over 100 per cent higher than in 1980, while in the Palatinate, the largest German area, they are up by one-third.

Nor are red wine prices exempt from increases. Higher quality in Bordeaux and a short crop in Burgundy have put prices up by around 20 per cent, and some rises will occur in Italy.

Such price increases may now seem comfortably in the future, but a Budget rise of even 10p a bottle strikes more sharply. So we are inclined to consider buying down; for with wine, unlike other consumable commodities, there always seem to be something cheaper: from France to Italy and Spain, and thence to Morocco and Argentina. But those who value quality in what they are drinking should resist the temptation to buy down, and instead, if possible, to buy at least slightly up. For the less we lay out the more than we pay goes to meet the fixed, largely irreducible costs of bottling, labelling, shipping, duty and distribution; and much less represents the real cost of the wine.

This last, vital item in a bottle retailing at £4 is likely to be well over double the basic price, and correspondingly higher in quality than the contents of a £2.50 bottle. The VAT on the latter is now about 23p. Certainly what the French rather appropriately call the "*grandes surfaces*," which we may translate as the High Street grocers, can buy and ship the basic wines more cheaply; but no discounts are likely on the higher quality types.

In 1970 the Wine and Spirit Associaion estimated the price of an average, typical bottle of table wine at 13s 9d (69p). Two years ago the figure was between £1.50 and £1.75. Before this week's Budget one knowledgeable estimate was between £1.75 and £2.25, and it was reckoned that the "barrier" beyond which wines are considered expensive for popular buying is now £3 a bottle. Since the pound is today worth less than a quarter of what it was in 1970, if these estimates are reasonably close, it is true that in real terms lower quality wines as widely sold are now less rather than more costly to buy.

The same would be the case with a great many wines from distinguished estates and well-known vineyards. Not many of us may be in the first-growth claret buying class now, but the just-announced ex-château prices of 1981 Lafite and Mouton-Rothschild at FFr 100 a bottle are actually less in cash terms, and a good deal less in real money terms, than the opening prices of their 1971s. The wines might be better too.

Note: The chief "prop" in the Budget Day ceremonial is the dispatch box used by Gladstone when Chancellor of the Exchequer. How many Chancellors, holding aloft the battered cas· for the waiting photographers, on their way to the House of Commons to announce yet another increase in wine duties, now remember or are reminded that in 1860 it contained the Budget Speech in which the Liberal Chancellor announced the historic reduction of duty on table wines to 1s a gallon (2d a bottle), and thereby started their popular consumption — particularly of French wines — that has never looked back. What would a substantial reduction next year do?

SPORT

Shadow over Wimbledon

THE LATEST demands by the Association of Tennis Professionals which amount to a take-over bid for the men's professional game, cast a shadow over Wimbledon and other major tournaments.

For example if Wimbledon were to accede to the demands it would, on last year's figures, cost it £217,000, and more than twice that sum this year—all of which would be lost from the Lawn Tennis Association's take for running British tennis.

Saying that it intends to withdraw from the Men's International Professional Tennis Council (MIPTC) at the end of 1982, ATP wants the council, which administers the Volvo Grand Prix competition, to agree to three main points.

These are that ATP shall control entries and seeding at tournaments based on the ATP computer rankings; that players shall no longer be designated to specific tournaments; that the Supervisors and the Code of Conduct shall be administered by ATP who would also provide trainers.

In return for these services ATP is asking for 15 per cent of net TV tournament revenue (that would bring it approximately $2.7m a year) and payments from tournament prize money ranging from $25,000 for the largest to $2,500 for the smallest (worth in total approximately $400,000). ATP has made similar demands on World Championship Tennis, the Dallas-based independent promoters.

TENNIS

JOHN BARRETT

Ever since open tennis became a reality in 1968 the game has been evolving, struggling to cope with the twin problems of power and money. The old International Lawn Tennis Federation could not see the boom that was just around the corner.

But by 1972 the time had come for the players to act cohesively. The birth of ATP during the U.S. Open in September 1972 was perhaps the most important event of the decade. The 1973 Wimbledon boycott by 70 ATP members proved unity and changed the old order for ever.

Since 1974 the professional game has been administered jointly by the ITF (they dropped the "lawn" in 1977) and ATP through the Men's International Professional Tennis Council which in 1975 was enlarged to include representatives of the tournament directors — the indispensable third force in the game.

Last year WCT decided to leave the 1982 Grand Prix (of which it has been a part since 1978). This put ATP in a dilemma. As ATP executive director "Butch" Buchholz says: "We are not the cousins of the Grand Prix or of WCT. We are tennis players and unless we do something there will be chaos."

In present circumstances ATP could no longer be associated with income from seven tournaments. They could only stage one or two to augment their income from endorsements.

The weaknesses of ATP's new demands are that ATP does not represent all players (Connors, Gerulaitis and Vilas are not members "but we've spoken to them and their views coincide with our own," claims Buchholz); unlike the women, ATP cannot guarantee the appearance of any player at any tournament (the one reason why tournaments might have reluctantly agreed to the ATP demands); their record of efficiency over tournament entries is patchy; and they have not in the past had any success in disciplining members for bad behaviour.

The MIPTC, having agreed to pay $250,000 for ATP's tournament services in 1982, feel threatened. To agree to ATP's demands would be to lose control of the game. But with the departure of World Championship Tennis and the rash of exhibitions and special events running unchecked (the latest development is a 12-tournament McEnroe circuit organised by American entrepreneur Steve Corey later this year) the MIPTC has already lost control. However, the 90-odd tournaments of the Grand Prix are still the backbone of the game and include all the historic events like the U.S., French and Australian Opens and, of course, Wimbledon who have delayed the announcement of their prize money following ATP's demands.

The only logical solution to the present crisis is the establishment of a new governing body representing the ITF who are guardians of the rules, the ATP, independent promoters including WCT, the tournament directors and the management companies who control players and events. This body would be in charge of the computer rankings and therefore tournament entries and would employ the secretarial staff to administer it.

They would also employ the Supervisors whose role would be to see that the Code of Conduct was being administered fairly. Only umpires and the tournament referee would control matches.

The problem in achieving this solution will be the clash of personalities among the individuals presently in control. Such is the bitterness, born of long-standing jealousies and thwarted ambitions, that the more likely outcome will be a period of chaos. Special events will proliferate, WCT and the Grand Prix will drastically reduce in size and the poor bewildered public will wonder what is going on. In the short term only the players seem certain to win—not because ATP will get their way but because, in being denied, their members will simply go to the highest bidder.

Systems and success

TODAY'S League Cup Final at Wembley should provide a fascinating game. Tottenham and Liverpool, at their best, are the most effective and entertaining teams in the League. Their success has a lot to do with the flexibility of their football.

Too many managers and coaches have an obsession with systems of play and are placing too much importance upon them, which is one reason for the dullness and predictability in some League matches. The majority of the clubs use either a 4-4-2 formation with two full backs, two central defenders, four in midfield and two lead forwards, or 4-3-3 formation with the same basic rearguard, three in midfield and three forwards, usually two strikers and a winger.

SOCCER

BY TREVOR BAILEY

It is interesting that when a side experiences a lean spell, how often the manager will change to a different line up as a solution to a problem, which probably stemmed from fundamental weaknesses like an indifferent goalkeeper, inept finishing, lack of confidence, shortage of skill, tactical naivety, or insufficient reserve cover.

The secret of success of course lies not in the system, but in fitting the system to the players, not players to the system. Nobody appreciated that more than Sir Alf Ramsey, who also realised the advantage of a formation which was slightly different.

Although Sir Alf will be mainly remembered for playing the then unusual 4-3-4 without wingers to win the World Cup, and for the 4-4-2 in Mexico, where England came closer to success than is often imagined. I have always believed his greatest tactical triumph was carrying off the First Division Championship with a decidedly limited Ipswich side.

In those days most clubs had two wingers a centre-forward, two inside forwards one deep and one up front, two wing halves, one defensive and one creative, two full backs who marked the opposing wingers, and a stopper centre-half. It took the other clubs in the division an entire season to work out how to deal with a deep lying winger and twin centre-forwards who could score goals.

The value of variations is certainly underlined by Spurs and Liverpool. Spurs rely on a standard back four, three well above-average ball playing half-backs, of whom two are world class, twin centre-forwards, Crooks and Archibald—Galvin, who combines the roles of left-winger, taker of goals and extra defender, and, perhaps most important of all, a superb goalkeeper, Clemence.

Liverpool's formation might perhaps be described as a fluid 4-4-2, which relies much upon the width created by both halves and defenders running off the ball into attacking situations, accurate distribution and possession. Although this formation is often regarded as defensive, this canont be said to apply to Liverpool who depend so much on their halves and also their backs to score the goals.

SPORTS DIARY

SOCCER: Football League Milk Cup Final, Tottenham v Liverpool, Wembley, today.

RUGBY UNION: Navy v Army, Twickenham, today.

RACING: Cheltenham National Hunt Festival, March 16, 17, 18—Gold Cup, Champion Hurdle, etc.

HOCKEY: Rank Xerox County Championship Final, Ipswich, tomorrow.

BASKETBALL: Just Juice National Championships, Wembley Arena, today.

BOWLS: EWIBA British Isles Championships, Hartlepool Indoor Bowls Club, March 15.

ICE SKATING: World Ice Figure Championships, Copenhagen, today and tomorrow.

JUDO: Women's European Championships, Oslo, today and tomorrow.

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Saturday March 13 1982

Gold, oil and indexed bonds

AN ALL-WISE analyst watching the gold price over the last few months would have easily been able to forecast the trend in oil and commodity prices, and a little more tentatively to have forecast last week's Budget and indeed its most notable feature, the indexation of the capital markets. All these events, and a great deal else, have followed from the real sea-change of the last year: the world-wide appearance of high and apparently durable real interest rates. The long-run effects of this change will be still more pervasive; it is one of those once-in-a-generation turning points which chartists like to discuss as the long cycle.

None of this should surprise anyone in Britain, because we have already lived through the first and most painful effects of the change. From the borrowers' point of view, interest rates in this country have been high in real terms for about three years now, and the results have been a major shock to the economy.

Depressed

The first impact is on carrying costs. If interest charges clearly exceed the best appreciation in value which can be expected from holding an asset, then it makes sense to sell the asset; and when the asset is a stock of goods, then production and trade flows are disrupted. The cost of credit in Britain has exceeded the private sector rate of price increase for a long time now—it is public sector exactions which have kept the retail price index moving at something near the rate of interest. Hence the rundown of stocks which so sharply depressed both production and imports.

On a world scale a similar crisis was set off by the second great rise in dollar interest rates last year, and the effect has been seen not only in the sharp downturn in U.S. production, but in the gold and oil markets. Gold is what is known as a stock-dominated market; privately-held stocks of the metal add up to more than half a century of mine output, so when investors become disillusioned, the fall is long and dramatic.

The oil market is not stock-dominated, but a change in stockholding policy can still have a major impact in the market. Oil companies were happy to hold what amounted to a privately-owned strategic reserve as long as the financing costs were not too punishing; but as the price has rolled back from the last excessive increase, and real interest rates have risen, they have decided that the cost is excessive. An inventory adjustment has again had dramatic results.

The fall in the oil price has both reduced the Government's expected revenue, and improved the prospect for world growth and trade; for both reasons, a lacklustre Budget was on the cards, and we got it. But the background reason—the rise in real interest rates—also strengthened the argument for a new look at how Government borrowing is financed. An investor holding a stock of gold or oil or goods can realise his holdings, even if at disappointing prices, and escape the debt. The national debt—or international debts—are not so easily wiped out.

Attraction

It is rather a sad commentary on the Treasury's morals that the argument for indexed borrowing has not been won until the rate of interest on ordinary bonds rose above the expected growth of money revenues. As long as it was possible to cheat savers through falling money values, the Treasury persisted. Now they are offered honest securities.

The great attraction of indexed borrowing from the borrower's point of view is not that the real return is lower than that currently offered on conventional bonds, for a real return is after all guaranteed. It is that the cash flow is much *easier to manage. For the* State, as for a housebuyer, the attraction of indexed borrowing is that it offers what is, in money terms, a low-start mortgage.

Cash demands for debt service rise only as fast as inflation—and government income rises with inflation too. Indexed borrowing is therefore a relatively painless way to reduce the PSBR and assist monetary control. The drawback, if it is thought a drawback, is that inflation will not erode the debt. It is a good way to help balance the budget, but not to cut taxes. Indeed, the savings already made on servicing the first £5bn *of indexed and granny bonds go* a good way to explain why the PSBR is now coming down.

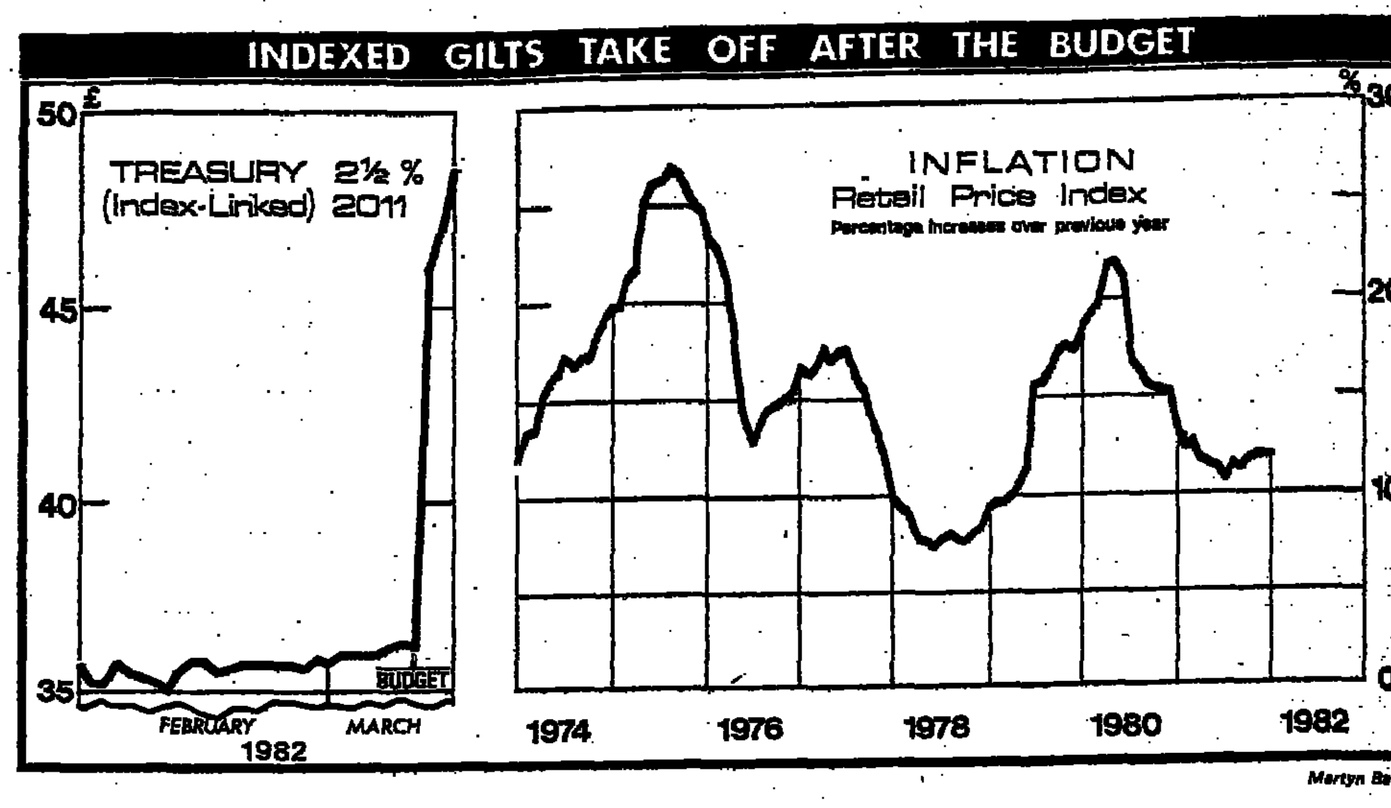
Nightmare

But if indexation is attractive for a government servicing its national debt, it is still more attractive potentially as a form of foreign debt. A government has the power to meet its debt service expenses through taxation, and has nothing to lose but votes. A developing country has no power to levy taxes internationally, as Opec (and the mystery men who tried to rig the tin market) have rediscovered. The cash flow demands of high coupon debt may make them as bankrupt as Poland now appears to be—a nightmare which haunts both borrowers and lenders. Sir Geoffrey may find himself flattered by imitation in debtor countries, if there proves to be an international market for indexed paper — and some foreign demand for the British bonds has been reported this week.

Howe's quiet revolution

By Barry Riley

Without fanfare this week's Budget has set in train changes which have *profound implications* for savers and investors. On this page we take a closer look at them. Opposite we examine the hard choices now facing Britain's building societies which yesterday cut their rates and find themselves in a fierce battle for the nation's mortgage market.



Martyn Barnes

A FEW apparently low key remarks by Sir Geoffrey Howe in his Budget speech last Tuesday are likely to usher in some profound changes in the shape of the market for personal savings and investment in Britain.

At one point the Chancellor announced the ending of the pension funds' monopoly on the ownership of indexed gilt-edged. He foreshadowed a new open-to-all tender issue next week, and promised further issues during the next financial year as part of a policy of diversified funding.

In another notable section he swept aside all the well-rehearsed Inland Revenue objections to eliminating inflationary gains from the capital gains tax net. "I cannot," pronounced Sir Geoffrey, "allow this injustice to continue." In principle, investors will no longer pay tax on spurious "gains" which only reflect the fall in the value of money.

There remain some considerable wrinkles in the CGT arrangements. Past gains are unaffected—inflation relief will only apply from next month—and there will be no protection for the first year of ownership of an asset.

However, with the raising of the annual slice of exempted gains to £5,000—a figure which itself is to be indexed in future—it is clear that for most investors CGT will cease to be a relevant factor in planning their future investment strategy.

Among the more important *implications of these measures* are:—

- No investor need accept a negative real rate of return after tax on his savings, on anything but short-term liquid assets.
- Building societies will find it much harder to raise substantial sums from the public through the kind of savings schemes which have been successful in the recent past.
- The conventional wisdom that each person should buy the biggest, most heavily mortgaged first home that he can afford is now seriously undermined.
- There will be increasing pressure on pension schemes in the private sector to respond to the challenge of providing protection against inflation.

The fundamental change brought about by these measures is that they have altered the balance in the appeal of income and capital growth to taxpaying investors. Capital growth has always been more attractive, especially for wealthier investors in the higher income tax brackets which can lead up, eventually, to the investment income surcharge. This can produce a marginal tax rate of 75 per cent, compared with a capital gains tax rate of 30 per cent.

In future, the pursuit of capital appreciation will be still more advantageous. In particular, investors will be seeking to use up the effective tax shelter offered by an appreciation of their assets each year in line with inflation.

If any of their assets fail to rise in value over the years in line with inflation some of that tax shelter will go to waste. Meantime they will be liable to tax on other forms of investment gains—whether income or appreciation over and above the rate of inflation.

Of course, there are other factors that determine the pattern of savings, such as security and easy encashability. Recently the sheer high level of interest rates has enhanced the attractions of liquid holdings such as building society deposits.

But the changes introduced by the Budget are coming at a time when interest rates are tumbling: this week the clearing banks' deposit rate fell to, in most cases, 10½ per cent and the building societies yesterday cut their recommended investment rate by a point to 8¾ per cent.

At the present time, therefore, a great many investors

For most investors CGT will cease to be relevant

are considering whether to switch some of their short-term investments into longer-term forms. That is why conventional fixed coupon gilt-edged have been so firm in price, and why savers rushed to post offices on Wednesday to take advantage of their last opportunity to buy the 23rd issue of National Savings which offered a 10½ per cent tax-free return over five years.

Highly taxed investors are now going to find the Government's index-linked gilts extremely attractive. They have already, of course, been able to buy the index-linked National Savings issue—but that offers a very low real return, and only £5,000 a head can be bought.

On Wednesday morning, the three existing indexed gilts suddenly became available for purchase by ordinary investors. Since then they have all jumped in price by something like 10 per cent, which means that the real yield—the return over and above the inflation rate—has tumbled from 3 to around 2 per cent.

For a year the pension funds enjoyed a monopoly right to buy such inflation-proofed investments, issued to them so that they could contemplate offering inflation-proofed pensions — which are such an envied feature of the public sector.

But not only were the pension funds fussy about the price they were willing to pay—the second issue last July had to be heavily cut in price—but they completely failed to grasp the opportunity to change their products.

Now the indexed stocks are being bid out of their reach by taxpaying investors — and foreigners could soon be dabbling too. But the pension funds are unlikely to be able to continue to duck the question of inflation-proofing, because the action of the Chancellor in *spreading the* message of indexation is bound to make pension scheme members more conscious of their lack of future protection.

The converse of the jump in price of the indexed gilts this week has been the weakness of low coupon conventional gilts—traditionally the low risk investment vehicles of the higher rate income taxpayer.

Gilt-edged held for more than one year have already been exempt from CGT, making such stocks relatively attractive although the net return after tax has normally lagged inflation, sometimes seriously. Now indexed gilts offer a new alternative—and equities have also been given increased attractions by the indexing of CGT.

These shifting patterns of tax efficiency even affect the relative attractions of that sacred central asset of the Englishman—his house. So long as it can be established that it is his place of normal residence, it is exempt from capital gains tax and, of course, he is entitled to tax relief on the mortgage interest.

But there is a ceiling on the size of that privileged mortgage, and this week Sir Geoffrey continued the surreptitious policy of his Labour predecessor Mr Denis Healey of chipping away at the real level of this limit. In other words, he left the figure unchanged and unindexed at £25,000 where it has been ever since 1974.

So it is clear that really big mortgages will continue to be highly expensive to service. Marginal borrowings over £25,000 at present cost perhaps a little over 14 per cent on an effective basis from the clearing banks, well above the rate of inflation. There is no point in gearing up heavily in the expectation of a capital gain unless there are reasons for expecting house prices to rise very rapidly. At present, such reasons are hard to find.

For those who nevertheless do wish to invest in property, the changes in CGT now have important implications. A second home will not be liable to tax except to the extent that its value rises faster than the rate of general inflation. Therefore there is little tax advantage to be gained from owning one large house rather than, say, two smaller ones. It will still be necessary, of course, to ensure that the £25,000 maximum mortgage can be utilised on one of the properties.

When it comes to buying that second home it may become more common in the future to think in terms of an index-linked mortgage. One or two pioneering operations already exist, with capital provided up to now mainly by investment institutions exempt from capital gains tax.

Now the opportunity has been opened up for the building societies to dust down some of their contingency plans and launch index-linked operations. Through these, investors could receive a large part of their reward in the form of untaxed capital appreciation. Borrowers would pay much lower instalments to begin with (although these would increase later on with inflation).

Mortgage repayments are structured with the objective of maintaining equal instalments over the life of the loan. But inflation has the effect of shifting the real burden towards the initial years of the contract. An indexed system, in contrast, will spread the real burden equally, which will either mean much lower initial instalments, or the possibility of a much larger loan.

The trigger to any developments in this direction could be the response of building society depositors to the drop in interest rates. The standard rate taxpayer is now earning less than the rate of inflation from his building society share

Indexation widely regarded as a risky expedient

account, unless he is willing to rely on the Treasury's possibly optimistic cost of living projections for the middle of 1983 when inflation could be down to 7½ per cent.

For the time being the slackening of inflation may cause building society investors to take a relatively relaxed view. But the societies are conscious that the Government is busily setting up a large inflation-proofed sector in the savings market. The changes in CGT have made it easier for the building societies to compete if they wish to.

It is already clear that the life insurance companies, another major force within the savings market, are going to pick up the gauntlet thrown down by Sir Geoffrey. Already this week one of the big mutual offices, Scottish Amicable, announced the launch of a unit-linked scheme based upon the indexed gilts.

Such schemes have the slight drawback that the prices of the underlying gilts can vary, so that the value of the units cannot be guaranteed to beat inflation except in the long term. It is only at the final redemption date that the real return can be precisely secured.

Nevertheless, actuaries in a number of big life offices are now assessing whether there are enough stocks on the market—from next week there will be four, with redemption dates ranging from 1988-2011 — to allow the launch of inflation-proofed annuities.

The launch of indexed funds based upon the new gilts will clearly provide stiff new competition for conventional unit trusts which invest in equities. It will not be good enough any more for unit trusts simply to proclaim themselves to be inflation hedges—they will have to offer the prospect of significant growth in real terms to justify their extra risks compared with indexed gilts.

It is also true, however, that the improved capital gains tax treatment will tend to make equity investment as a whole more attractive to tax-paying investors. Yet the advantages will be concentrated upon growth-orientated investments; high payout shares in declining industries will be even less worthwhile than before.

Looking well ahead there is a danger that a future spendthrift Government could sell indexed gilts on a scale which would undermine the equity market.

Indexation is widely regarded as a risky expedient. In the hands of a prudent Government it can be used as a means of bringing inflation down. In other circumstances, it can build inflation into the system and can all too easily open the way to hyper-inflation.

Indexation may turn out to be a force for good or ill. Either way, after this week's Budget, investors now have to learn to live with it.

Letters to the Editor

Superpowers

From Dr P. Rogers

Sir,—Ian Davidson's article on Trident (March 8) raises many important issues in relation to this new weapon, but there are two highly significant aspects which require further attention.

As the Government has decided on Trident D5, it will be getting a missile which can carry 14 independently targetable H-bomb warheads. Ian Davidson mentions that the current Polaris system has three warheads, but the significant point about Polaris is that these warheads are not independently targetable and can only "spray out" over a single target.

The effect of this is that, in terms of targeting ability, the Trident D5 missile will involve a 14-fold increase! This makes nonsense of any commitment to arms control and will probably encourage the Soviet Union to embark on a further expansion of its own forces.

The second aspect of Trident D5 is that it will be accurate enough to destroy Soviet ICBMs in their previously invulnerable silos. Such invulnerability is supposed to be the cornerstone of deterrence — each side can retaliate to a first strike.

Now we are faced with a new generation of weapons, the American M-X and the Trident D5, and new Soviet ICBMs, which will fatally undermine the very stability of deterrence which the supporters of nuclear armaments value so highly. By opting for Trident D5, Britain is thus a party to a particularly dangerous twist in the nuclear arms race.

Ian Davidson concludes, reluctantly, that "the Government should go for Trident D5 but at the same time state publicly that it would be prepared to place all Britain's nuclear weapons on the line if the two superpowers were to make substantial progress in reducing their nuclear arsenals across the board."

The trouble is that, by going for Trident D5, Britain will make that possibility less likely. We should indeed follow the second part of Ian Davidson's suggestion, but with regard to our existing considerable nuclear armoury, not with a further escalation of it.

(Dr) Paul Rogers,
School of Peace Studies,
University of Bradford,
Bradford, West Yorks.

Tailoring

From Mr R. Wachtel

Sir,—I would like to elaborate on Lucia van der Post's February 27 article "Suit yourself" in which she refers to West End tailoring.

There are at least 500 or so bespoke establishments, large and small, in London and the suburbs all of whom are capable of turning out a first class made-to-measure suit from £120-£180 using the best British cloth.

Most tailors will finish the garment in 3-4 weeks with two fittings — special orders have been known to be done in 14 days, or even seven when cut to finish.

Ralf Wachtel.
Ravenscroft Farm, Mimms Lane,
South Mimms, Potters Bar,
Herts.

Work

From the Managing Director, CGR Medical.

Sir,—Naive beyond belief; such was the letter (March 9) from A. Mitchell, MP, B. Gould, J. Mills and S. Stewart. Obviously these gentlemen have never been involved in running a UK based company. Massive devaluation equals massive inflation. The £ in the market place is all important for the purchase of raw materials, machine tools, and all the other *day-to-day essentials which are* required to manage a company. Sadly most of these are no longer available from home industries, and if they are, then only with unacceptable delivery dates.

Massive devaluation would place a stranglehold on this country, from which it would never recover. What does this happy little band imagine would happen to the cost of capital, so necessary for the expansion of home industries? I suppose they would borrow from abroad, but at what cost!

There is no short cut to output, reasonably priced raw materials, energy, etc., a contented highly productive workforce with, if possible, sensible profit-sharing schemes and, above all, flexible management. The Germans have not required artificially priced currency to keep their economy sound. It is a tragic fact of our democracy that our friends in the Commons, unlike any other profession, require no qualifications or training whatsoever, and once elected are free to wreak their terrible economic experiments on us. When shall we grow up as a nation, and realise that the only way out of our economic difficulties is by hard work?

M. J. Naylor,
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Feltham, Middx.

Pensions

From Mr R. Mountjoy

Sir,—It is depressing in the extreme to learn from your editorial (March 4) that you appear to subscribe to the view that private pension schemes have it within their power to 'make rapid progress' in the area of 'inadequate transferability and lack of inflation proofing.'

It cannot be repeated too often that better benefits require higher contributions, unless other benefits are to be reduced. The pensions industry can do little more than attempt to educate employers and their employees about these hard facts of life. This is not easy when the Government have in a most amateurish manner signed a blank cheque for their own employees—for which we all pay.

Let us, therefore, seek to avoid the modern pastime of looking for a scapegoat and address ourselves to the real problem. Are employers and their employees prepared to pay higher contributions for the improvements which you mention? There is no magic wand which can be waved over the existing contribution rates to achieve the desired objective and a change to a 'pay as you go' method of funding only postpones the day of settlement. The true cost must be paid, be it sooner or later.

R. W. Mountjoy.
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Horsham, West Sussex.

Profligacy

From Mr C. Beattie, QC

Sir,—I find it odd that there has been no comment, so far as I am aware, on the major defect in the Chancellor's Budget. That defect is that the Budget is unbalanced to the tune of £9,500bn. This amount will in the coming year be added to the already huge debt burden resting on the shoulders of the unfortunate taxpayers of this country. Nor is this debt burden to be reduced by the sale of publicly owned assets, as the proceeds of sale of such assets are to be treated as revenue incomings supporting current expenditure.

Why accuse the Government of "monetarism," which I would have thought meant living within one's means, when profligacy is the order of the day?

C. N. Beattie,
24, Old Buildings,
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Trains

From Mr A. Lucking

Sir,—Before we adopt Sir Peter Masefield's idea of express trains running from almost everywhere to Gatwick, perhaps we should review the future of passenger trains. I wonder about a transport vehicle which appears to weigh about three tonnes per passenger carried, vs the six passengers carried by a tonne of bus. And all those tortured squealing noises we hear en route are high-energy-cost steel being worn away, to be replaced periodically by "Engineering works on Sundays."

When one's flight is cancelled in California, one travels by bus. Obviously, rich countries like Germany will be able to afford passenger trains for a few more years than we can, but outside the low labour cost countries, the financial performance of passenger railways seems to be abysmal and worsening.

Trains should travel slowly and carry freight, so that the U.S. philosophy of balancing the cost of derailments and track maintenance becomes acceptable.

A. J. Lucking.
Flat 20,
17, Broad Court,
Bow Street, WC2

Imports

From Dr G. Gemmill

Sir,—It is sad to observe that your correspondents continue to be "captured" by the producer groups upon whom they report, while not observing that there is an opposing consumer interest. Last year your motoring correspondent seemed to believe that parallel imports of cars from the Continent should be prevented. Today (March 4) your chemicals correspondent, Sue Cameron, gives a presentation against the parallel import of low-price agricultural chemicals from France and Belgium ("Pesticide producers face free trade trap"). The British Agrochemicals Association wishes to prevent such imports by using safety standards, which are not yet harmonised by the EEC. What was not made clear in the article is that, just as in the car case, the product being imported is exactly the same as the product already sold here. How can safety standards then be applied? Naturally the large chemical companies would like to be discriminating monopolists—able to charge different prices in different countries because there is a barrier to trade between. That way they make more profit. If high prices in Britain are justified, as some companies suggest, by the "volume of sales and general trading conditions," how can parallel importers then profitably capture 10 per cent of the market? Incidentally, discrimination on agrochemical prices is not limited to the UK—some prices here are lower than in Germany and parallel imports occur in the opposite direction.

(Dr) G. T. Gemmill.
The City University
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Accountancy

From Professor D. Myddelton

Sir,—Since the Rooker-Wise-Lawson indexation of personal income-tax allowances in 1977, the Government has regularly extended the principle of allowing for inflation by reference to changes in the Retail Price Index. This year it is proposed to index capital gains tax and capital transfer tax, as well as to withdraw the restriction on ownership of indexed gilts.

Now that the Government applies indexation so widely in the tax system and elsewhere, surely the time has come to introduce indexed (constant purchasing power) accounting. In 1975 Sir Francis Sandilands *attempted to justify* his rejection of CPP accounting on political grounds: "It seems totally impossible to imagine that any Government would ever use CPP-adjusted statements as the future basis for taxation, for price control, or in any other area of public policy."

Events since then have emphasised this folly. The inflation accounting committee of which he was chairman not only recommended current cost accounting, which (as SSAP 16 correctly points out) is *not* a system of accounting for general inflation. The committee was so obsessively opposed to indexation that its own report contained no index!

(Professor) D. R. Myddelton.
Cranfield School of
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Cranfield, Bedford.

On the day after a 1½-point fall in mortgage rate, Michael Cassell analyses the mounting pressure on Britain's building societies

Why a comfortable era is over for ever

MORTGAGE RATES are on the way down again. But the two-day debate among building societies, which preceded the good news, will have left them with few illusions that their lives will ever again be as comfortable as they have been for most of their long history.

Largely ignored by outside influences and left alone to direct and develop their own business as they saw fit, only now are the societies having to come to terms with an all-round assault on their traditional prominence in the savings and housing finance field. It is a battle which is already beginning to expose the weaknesses and inefficiencies which a near-monopoly has fostered.

The new pressures on the societies will demand a careful reappraisal of the branches

The result will be the speeding up of rationalisation

already open—6,000 compared with 2,000 only 10 years ago. At the same time the squeeze on their operating margins is intensifying. Any inefficiencies in the system, which lack of real competition has encouraged, will have to be quickly identified and swept away.

The inevitable result will be a speeding up of the rationalisation already under way among the 270-odd societies in Britain.

The largest 17 of these account for 84 per cent of total assets—£62.2bn at the end of 1981. The societies took in £26.4bn in savings and £5.7bn in mortgage repayments last year alone.

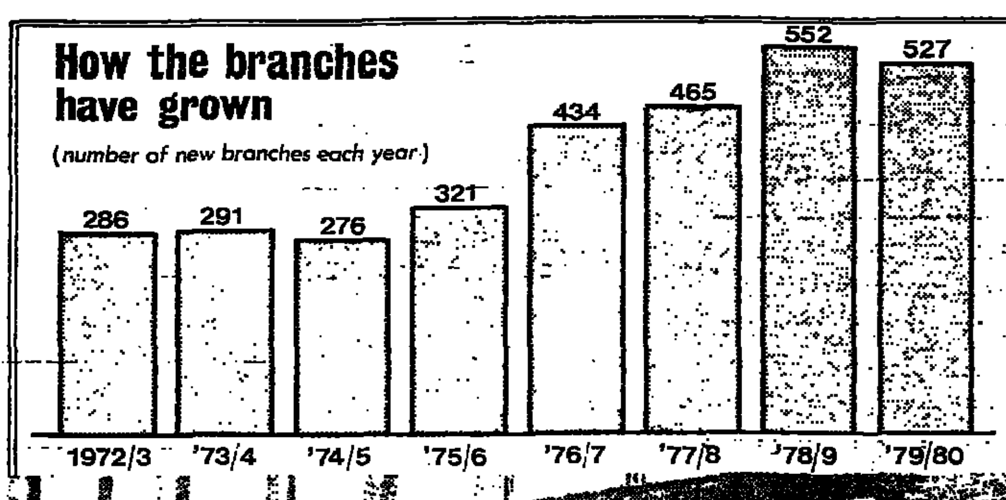
Most societies have already woken up to the fact that in less than three years, they have moved from a position in which competition was regarded as largely unnecessary and slightly distasteful into one where frantic efforts to beat the field have left the customer bewildered.

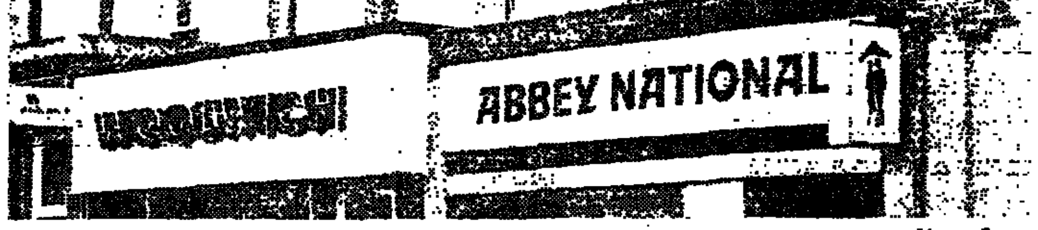
With the clearing banks biting off substantial chunks of the mortgage market — and the Government enticing billions of pounds into National Savings — this week's interest rate discussions drove home the inescapable truth that the societies' cosy, rate-fixing consensus is a thing of the past.

This week the clearing banks, with a nice sense of commercial cruelty, reduced their base rates, but left the societies to make their interest rate decisions without knowing just what the banks have in mind for their own home loan charges. Nothing underlines more clearly how the game is changing and how many new rules the societies will have to learn.

Gone are the days when they could simply generate the operating margins they required. A report last year to the Building Societies Association emphasised their freedom to set a competitive investment rate and then establish a borrowing rate which provided the margin required to cover expenses and leave a surplus was a luxury not afforded to most other commercial organisations. If those organisations did not live within the margins produced by the market, it intoned, they would go out of business.

Some societies are learning more quickly than others about the new financial discipline. "In the past, when people have referred to fighting for a decent operating margin, they have implicitly suggested that the fight takes place in the council chamber of our Association. Now that fight has to occur in the market place in competition with banks, government and other building societies," says Mr Mark Boleat—deputy general of the Building Societies Association.





Martyn Barnes

He and a growing number of others believe that the new competitive environment will inevitably lead to a shake-out among the societies. Henceforth growth will not be, as it has been, the only measure of success, it will have to take second place to a more hard-nosed approach to profitability.

There can be little doubt that the societies' future success depends on just such an approach but how well placed they are to survive and prosper on this basis is a matter of considerable controversy.

Some critics believe that the societies' giant strides in recent years will, with the emergence of competition, prove to have been unsoundly based—particularly in respect of branch expansion.

The general absence of any form of price competition—because of the interest rate cartel — led societies to compete in marketing through advertising and branching. The generous operating margins which were invariably set in order to cushion the smaller, less efficient societies, left the larger ones with still more money to push into branch expansion.

The results are evident in every High Street in the country and although societies have consistently defended their strategy, there is at least a prospect that some may soon be forced to retrench rather than expand further. Inevitable comparisons are being made with the banks' over-expansion which, in the past 10 years, has led to substantial and continuing rationalisation.

The present 6,000 branches are a little under half the branches now operated by the five largest clearing banks in England and Wales supporting the view of those who say the societies are not over-branched. Others, however, claim that the relatively simple and confined nature of building society activities — to date at least — makes comparisons with the banks meaningless.

In 1979, the Chartered Building Societies Institute said 6,000 branches—a level already exceeded—represented the total number which could be operated profitably, while another study suggested 9,000 was possible.

Whatever the optimum level, the annual branch expansion rate for societies as a whole was around 10 per cent a year during the last decade. It is clear that, at the height of the branch network explosion, a number of societies paid little heed to any detailed analysis before opening new outlets and simply believed that, as long as the whole society was healthy, continuing expansion was acceptable.

The rate of branch expansion has now slowed to 5 per cent or less and, given the past rate of growth and the degree of present High Street exposure, this slow-down was clearly inevitable. But the changing financial climate in which the societies must now operate is already forcing them to examine much more carefully the contribution of each branch to the overall level of profitability.

Branches—which on average hold deposits of around £8m—can be extremely expensive to operate and in 1980, office overheads and staffing cost the industry nearly £450m, a £100m increase on the previous year. The industry's overall management expenses have been rising steadily but not spectacularly (by around 10 per cent last year), although some individual societies with branch expansion programmes still in full swing have been experiencing much sharper rises.

It is concern over matters such as management costs that has led Mr Paul Twyman, a member of the Anglia Building Society, into his repeated attempts to join the society's board. He claims that the 1978 merger between the Anglia and the Hastings and Thanet has not led to the economies promised and he queries the need for an expansion programme which last year added 34 new branches to a network which has now nearly reached 300 outlets.

"Societies find themselves in a completely different game to the one at which they became so successful and I am concerned to see that they adapt themselves to a new environment in which only the most efficient stand a chance of winning through."

According to Mr Boleat, the new environment is already having an impact on the profitability of branches. "Competition has already contributed to the virtual abolition of differential interest rates for mortgage business, a move which will reduce the profitability of a number of branches which have relied on this policy."

The view is shared by societies like the Bradford and Bingley, which expanded earlier than many and now has nearly 200 branches compared with well over 600 at the Abbey National, the society with the biggest network of all.

Mr David Hanson, assistant general manager of the Bradford and Bingley, adds: "There is no question that societies' margins are tight and being squeezed still further. Those who have opened the bulk of their branches more recently will find themselves under pressure."

Until now, the societies' cartel has established operating margins which have enabled high mortgage rate branches to achieve much higher profits and justify substantially more expensive branches.

Mr Joe Bradley, chief general manager of the middle-ranking Town and Country, believes that a branching shake-out may be on the way, although he pointed out that branch profitability depends as much on accumulated balances as from any new money. He certainly sees no reason why enterprising societies of any size should not thrive.

"There is no question that, from now on, all societies will have to do their sums much more keenly and, whether some of them like it or not, disciplines like profitability are here to stay. Margins may well go down, but not enough to worry those societies which have substantial reserve ratios.

"But just because our role as savings banks is under pressure, there is no need for us to pull in our horns. We will simply have to be more aggressive and develop our business in a way which provided the public with a wider range of financial services.

"There has been a sharp

High mortgage rate branches achieve much higher profits

wind of change swirling around the societies and it takes time for the societies to respond. The mortgage business is a classic example. Many building society managers still have the 'ration book' mentality and are used to saying 'no' nicely to potential borrowers rather than 'yes please'."

For the societies whose financial structures will simply not match up to the new pressures, the obvious way out seems to merge and even some of the larger ones believe that their best chance lies in further marriages. Such a trend would certainly lead to a further rationalisation of branches and the vindication of those critics who always said that, like the banks, the societies had gone over the top.

Weekend Brief

Russians run Chinese off the road

"The Soviet Union had never heard of this event until yesterday, and in any case we told Mr Dickson in Paris two years ago that it would be very difficult to arrange."

With that piece of double-speak, delivered in the plush surroundings of the world governing body of motor sport in Paris, the Russians late last year dealt the *coup de grace* to a projected 75th anniversary re-run of that 1907 motoring classic, the "Peking to Paris."

At least, it meant the end of plans to run it on the original route: more than 8,000 miles, taking in the Gobi desert and much of Siberia before starting the final trek west from Moscow to the French capital.

Mr Dickson — Australian Wylton Dickson, who has promoted most modern motoring marathons — was not amused. The event had already been placed on the 1982 calendar by the International Federation of Automobile Sport (FISA) of which the Soviet Union is a member and whose representatives sit on the federation's committees. Dickson had gone to the Paris HQ expecting only to complete the last formalities before a public announcement by FISA the following week that the event was on.

Dickson still has no clear idea on which particular rock of Soviet bureaucracy the project foundered. But Soviet security apparatchiks tend to carry more clout than their sports counterparts, and Siberia is a highly sensitive area.

He has found the Chinese to be less inscrutable. The result is that, subject to a satisfactory conclusion to negotiations now going on with Peking, the marathon will take place in August/September of next year, with a much longer section of what will be a 12,000-mile plus route being staged inside China. As originally planned, the entry of 250 vehicles would have headed north from Peking straight to the Gobi and the Soviet border.

After the Russian experience, Dickson is not inclined to prejudge the outcome of the Peking talks. Dickson himself spent much of last month going over the ground with State sporting officials, including those of the Association of Motor Sports of the People's Republic of China —which Dickson hopes is a prophetic title, as China does not yet have any motor sports.

"I was impressed," says Dickson, "by their palpable enthusiasm for the event. Over the two years in which negotiations have been taking place —mainly based on the original route — we have become not two sides, but a group."

"But the essential attitude of the Chinese is that they want the event—when I came to leave, I found myself drinking toasts to its success with them until the cows—better call 'em water buffaloes—came home."

The enthusiasm, Dickson appears to indicate, extends beyond what might be expected from post-Mao policies of looking to the West for closer economic and commercial ties. And if it is translated to a final permission for a major part of the rally being run in China, Dickson feels that the attractions of the event—despite the loss of the original route and the anniversary date—will have been in no way diminished.

Those sentiments are echoed by City banker Luigi Barzini, of Credit Suisse/First Boston, who has promised the event every help and who is likely to enter it himself. And who is Barzini?—the grandson of the journalist of the same name who crewed in Prince Borghese's 1907 winning car and whose book, *Peking to Paris*, is the standard.

Dickson expects 250 cars to start from Peking, weeded out from several thousand inquirers. The £1½m cost of staging the event is not expected to be a problem, with a long line-up of would-be sponsors waiting in the wings. Among them is Charles Heidsieck, whose well-chilled bottles are expected to damp the dust in Paris for competitors arriving from China via a route through India, Kenya, the Sudan, Egypt, Greece, Yugoslavia and much of western Europe.

The last of the gastronomic heavyweights

Prepare yourself for a few days of "oohs and aahs" about Britain's gastronomic fortunes, for Monday sees the publication of the idiosyncratic Good Food Guide. The secrets of this green-backed volume are officially locked until then, although anyone prepared to visit the local bookshop today will have no trouble unearthing them.

The Guide is the last of the heavyweights in this league to enter the ring. Egon Ronay's offering was out before Christmas—and has been in the best sellers' list ever since—and Michelin has been on sale for several weeks. Good Food editor Christopher Driver and his Consumers' Association backers reckon that what might be lost in sales by this late publication date is made up for in freshness.

In fact Driver might be pleased to know that his Guide goes on sale just as the energetic Ronay is agonising over the fact that he is running out of books. The 90,000 first print run for the 1982 Ronay Guide is nearly exhausted. "Production costs for this sort of thing are very high and to have a second print is a big decision," says Ronay worriedly.

However, even if Ronay decides to retire from this year's fray while he is ahead (Driver reckons he will sell between 40,000 and 50,000 Good Food Guides) he does have another couple of arrows in his quiver. At the end of this month the latest Just a Bite books will be published—the Ronay Guide to low cost eating, tea shops and wine bars. Just a Bite has been something of a publishing coup, eschewing as it does the gastronomic heights and heading instead for the real world of everyday eating. It can be revealed exclusively that the next edition will look at the cellophane wrapped world of Fast Food. Is Wimpy or Macdonald top of the tree?

Ronay's latest catch is the signing of TWA to produce a European Guide—the Egon Ronay TWA 1983 Guide to Europe's Business Cities. The Guide will look at 35 of them in 18 countries and be published early next winter. Ronay never likes to miss the Christmas trade.

Meanwhile students of the Driver work will once again be able to study the gaps on Britain's culinary map. For the distinguished CA food expert it is an alarming fact, for example, that while Oxford bristles with inventive kitchen hands, Cambridge is very much the land of meat and two veg. Driver, after all, has a daughter at each seat of learning. "I find my steps run more happily to one than to the other."

Similarly the Driver fork goes more eagerly to the plates of Boulogne or Calais than Dover, but then the British south coast ports and resorts "are really depressing, with one or two exceptions." Even among the exceptions things are not what they were. Brighton, says Driver, was once the best place outside London to eat in the UK. Now Oxford, Manchester and Edinburgh have overtaken the pride of the Sussex coast.

The various guides have their own loyal followings. In broad terms their style seems to indicate that it is Driver for the home, Ronay for the office, Just a Bite for the car and Michelin for the extremely sharp of sight.

What is remarkable is that a country which the world believes has no astronomic inclinations at all can manage to buy some 200,000 guides to good food.

'A ruffians' game for ruffians'

Rugby Union, someone famously once said, was a game for ruffians played by gentlemen, and soccer a game for gentlemen played by ruffians. Mike Burton, the West Country orator, author, wit, travel agent, and tight-head prop for Gloucester, England, and British Lions, really spills the beans, it is a game for ruffians played by ruffians.

Burton has just come out with one of the most outrageous and most readable sporting autobiographies published (*Never Stay Down*, Macdonald-Queen Anne Press, £7.95) in which he admits being a true bastard, a retaliator before the provocation, a villain's villain, and the recipient—as an "amateur" Rugby Union player who had an anonymous Rugby League try—out of £50 in his boots for wearing Adidas.

Burton declined the opportunity of opening a sports clinic for victims of his powerful fists—even though the prospect of a libel award might have had its attractions. When Rugby Union secretary Bob Weighill asked him what was happening to the proceeds of the book, Burton told him they were staying in his pocket.

So Burton, like many less informative Rugby authors, is beyond the pale. Rugby Union is proud of its position as an outpost of amateurism. But, while accepting that apologists for villainy and acceptors of royalties cannot merit the esteem of the Establishment, it does seem odd that, officially, they are no longer *persona grata*, are barred from club-houses, coaching and administration. Many poachers are said to make good gamekeepers.

Burton's is one of the most honest sports books published for a long time. It is entertaining, it is a confession, it debunks hypocrisy, and exposes the weaknesses of selectors — from the viewpoint of a self-confessed Mr Awkward, whose positive attributes were not always appreciated

This lad Burton, a big boy, still trains. But he admitted to Weekend Brief that he had put on a stone from last season's 17, despite almost an hour's "training" every day.

He is, whatever other impression his exercise in primitivism might give, still a Rugby Union enthusiast, and still wanted as a speaker at club dinners.

It is likely that Burton's arguments will do more to move Rugby into the 80s in this age of metrification than will Erika Roe, the Twickenham Streaker, though perhaps the two should be taken hand in hand.

If athletics can shift significantly towards recognition that there should be new thoughts about new money to be distributed within the sport, perhaps Rugby will eventually do the same. What does seem odd is that top performers in some mass-audience spectator sports should be dollar-millionaires, while others still pay for their own boots.

Contributors:
John Griffiths
Arthur Sandles
James French

Economic Diary

TODAY: Mr Michael Heseltine, Environment Secretary, speaks at local government conference, Kensington Town Hall.

TOMORROW: Final day of Scottish Labour Party conference, Perth.

MONDAY: Conclusion of the Budget debate in the Commons. January provisional index of industrial production. February provisional figures of retail sales. Railway Staff National Tribunal on flexible rostering meets, London. British Caledonian Airways publish annual report. EEC Agriculture Ministers start three-day meeting in Brussels for detailed negotiations over the Commission's price proposals for 1982-83. EEC Finance Ministers meet in Brussels to discuss European Monetary System, economic and financial implications of Japan-EEC relations, and loans for Euratom.

TUESDAY: Sultan of Oman begins three-day state visit. Lord Carrington, Foreign Secretary, speaks at American Chamber of Commerce lunch, London. EEC Energy Ministers meet, Brussels.

WEDNESDAY: January indices of average earnings. February indices of basic rates of wages. CBI council meets, London. Sultan of Oman makes keynote speech at Guildhall banquet. Lords debate on the need to introduce effective measures to stimulate industrial growth and to deal with the continuing grave problem of unemployment. Financial Times two-day conference on European pulp and paper in the 80s opens in Helsinki. Institute of Credit Management national conference—speakers include Dr David Owen, Sir Campbell Adamson, and Mr Gordon Borrie.

THURSDAY: February cyclical indicators for the UK economy. Capital expenditure by the manufacturing, distributive and service industries (fourth quarter—revised). Manufacturers' and distributors' stocks (fourth quarter—revised). London dollar and sterling certificates of deposit (mid-February). UK banks' assets and liabilities and the money stock (mid-February).

FRIDAY: Herr Helmut Schmidt, West German Chancellor, meets Mrs Margaret Thatcher, London. Emergency meeting of OPEC oil ministers to discuss world-wide oil glut. February retail prices index. Tax and price index (February). BL 1981 preliminary results published.

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STC rises £6.5m to top £50m mark

A RISE of £6.5m to £50.6m in 1981 *pre-tax profits* has been achieved by Standard Telephones and Cables, after absorbing £17m costs in the year for redundancy and rationalisation. The directors say their confidence in the long-term outlook has been sustained by the performance.

They explain that the variety of contract pricing agreements and the gain on the disposal of two small investments were sufficient to offset the exceptional charges. First-half pre-tax profits had fallen from £32.8m to £19.1m.

The group's activities cover the manufacture, sale and rental of telecommunication and electronic equipment and the manufacture, sale and distribution of electronic and electrical components.

Turnover for the year rose from £537.7m to £567.5m. Trading conditions in the UK have remained depressed resulting in virtually unchanged domestic sales, but overseas sales increased by 33 per cent to a *record £125.7m.*

Orders on hand at the end of the year were at a best-ever level of £600m—up 40 per cent, and included a higher proportion of export business.

The economic recession *particularly affected the sales and* margins of the components and distributors business, but operating margins overall have been held at the previous year's level.

The final dividend is being stepped up from 6p to 9p net for a higher total of 13.5p (10p) per 25p share. Earnings per share increased from 28.65p to 36.46p after tax of £14.1m (£15.4m).

Depreciation was £2m higher at £14.4m, but finance charges decreased from £12.2m to £9.7m.

Sir Kenneth Corfield, the *chairman, says the group can* lo okforward with a very good order book, and export-led performance, to better results in the year to come and a very good future."

The generallevel of trading so far this year is better than last.

The company's components division was particularly hard hit last year with overall volume some 14-15 per cent lower and profits down from £12m to £2m.

Sir Kenneth, points out that STC has so far consistently *maintained some 60 per cent of* available submarine cable work against the strong competition of Japan, the U.S. and France, and he looks forward to continued expansion in this important operation.

"We have a leading edge in the technology of optical fibre *cables.*"

In the next few years there will be a change from copper to optical fibres and the company already has a test cable underwater in Fyne. STC is a "very strong contender' for a transatlantic cable."

On optical fibres, he comments *that they have all the band* width capabilities of satellites. "Wherever the satellite goes, submarine cables will follow," he predicts.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Anglo-American Secs. ...	3.6	April 14	3.45	5.1	4.75
Bracken Mines ......int.	14§	—	30	—	60
Bridgewater Estates ...	13.5	—	11.5	18	16
Conder International ...	2.5	May 17	4	4	7
Hunt and Moscrop ...int.	0.3	May 21	0.36	—	0.9
W. and R. Jacob	3‡	—	2.1	4.5	3.3
Kinross Mines ....int.	62§	—	80	—	166
Kode International	4.68	—	4.37	7	6.69
Leslie Gold ....int.	12§	—	29	—	54
Merchants Trust	2.4	—	2.4	4.15	4.15
Scottish TV	5.25	May 8	4.55	7	5.95
STC	9	May 28	6	13.5	10
Unidare	3.8‡	April 17	5.8	5.5	7.5
Unisel Gold ....int.	45§	—	40	—	95
Winkelhaak Mines ...int.	158§	—	220	—	410

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Irish pence throughout. § South African cents.

Confidence at Kode after year-end progress

SECOND HALF pre-tax profits of Kode International, manufacturer of electrical equipment, advanced from £745,000 to *£927,000, and figures for the* whole of 1981 improved from £1.41m to £1.53m. Turnover moved ahead from £10.43m to £10.59m.

The total dividend is raised from 6.689p to 7p with an increased final of 4.68p (4.369p).

Mr Terry Darlow, the chairman, says the company has shown marked improvements in products and finances and this, together with the present well-balanced order book and satisfactory prospects, gives the board every confidence in the future.

He says 1981 suffered in some areas from delayed ordering which followed stricter Government controls on cash limits. However, it benefited from realised currency gains, higher *interest income and, to a lesser* extent, from extending a too-conservative depreciation policy on new plant.

To overcome delays in orders, the circuit company implemented a contingency plan to *accelerate capital investment.* This is to come on stream over the next year. In adition, he says, a major existing investment was commissioned during the year and both of these are expected to provide future growth.

In the motor and control business, earlier investment in new products and plant gave sound growth through what could have been a difficult period., The computer, system and peripheral activity again faced a difficult market, but he says the company managed to win some large orders, the largest slipping into this year.

The maintenance activity forged ahead and also made an investment in a promising new area of technology. There was *a greater degree of automation* in the company during the year and this forced a reduction in the number of people employed.

The pre-tax figure includes interest receivable of £174,000 (£61,000). Tax for the year was *higher at £541,000 (£492,000, less* £118,000 transfer from deferred tax account). Attributable profits emerged at £989,000 (£1.03m), and after dividend payments which took £312,000 *(£297,000)*, retained profits were £677,000 against £736,000. The retained profits include £115,557 credit realised from exchange gains.

Stated earnings per 25p share were down from 23.3p to 22.18p. On a CCA basis, pre-tax profits were £1.29m against £971,000.

Mr Darlow says the depreciation charge has been reduced by £70,497 following a review of useful life of plant and machinery.

● comment

Kode's astuteness in shifting *£800,000 into dollar* deposits at the right time must take much of the credit for the 3.7 per cent advance in pre-tax profits. Printed Circuit Boards were hit by a further slippage in margins, but the Budget's provi*sion for an expansion of* external financing for British Telecom, Kode's biggest outlet for PCBs, is good news. Computer peripherals manufacture is still making a los, albeit reduced, but demand cutbacks have allowed the maintenance division to come into its own. Many of Kode's hopes, for at least the next three years, are based on its exclusive European contracts, with several U.S. companies, for Winchester disc repair work. With cash now up to £1.7m, Kode is still on the lookout for acquisitions, possibly in the U.S. electromechanical field. The share price moved forward strongly last month; yesterday saw some cashing in, with the price shedding 22p to close at 253p, yielding 4 per cent on the increased dividend. With a p/e of just under 15, the rating is not high for the sector.

Conder downturn—dividend cut

THERE WAS a slight fall in second half pre-tax profits at Conder International, from £501,000 to £491,000, and the figure for the whole of 1981 finished behind at £1.02m, against £1.31m, with losses in three areas of the group's business largely cancelling out good profits elsewhere.

And the dividend is cut by 3p to 4p net per share, with a final payment of 2.5p.

The directors state that as a result of decisive changes made during the year, the group, which erects steel-framed buildings, is now better structured to cope with the likely pattern of business in the 80s.

They say it has a sound business *and that finances are strong,* and the board is confident that results will steadily improve during 1982.

The three loss-making areas were: Conder Scotland, where demand dried up completely and the company was closed in October: Conder Building Services, which again incurred heavy losses because of difficult trading conditions: Building Services division, where IEI Southern and IEI Midlands suffered substantial losses, although IEI Northern turned in profits. Action is being taken to remedy the situation but further losses are expected.

All other companies traded profitably, the directors say.

Other Company News, Page18

Turnover for 1981 was down from £111.74m to £103.29m and the pre-tax figure included associate share of profits of £171,000 (nil).

Tax charge took £202,000, *against a £622,000 credit, and* after an extraordinary debit of £1.59m (£8,000 credit), the attributable figure came through as a £778,000 loss (£1.94m surplus).

Earnings per share are given much lower at 9.9p, compared with 23.4p.

On a current cost basis the pre-tax figure is reduced to £656,000 (£1.21m).

● comment

Conder's shares had been losing ground ever since the disappointing interim results last August. Even so, they shed another 3p yesterday to reach an all-time low of 62p, which is getting on for half the price they were launched at in 1979. Conder claims it has hit bottom, has made the necessary cuts and closures and can now anticipate better times. The shut-down of Conder Scotland—which caused most of the £1.59m extraordinary debit—means a £1m loss-elimination in the current year. Middle East contracts, which had been delayed by the Iran-Iraq war *among* other problems, are now largely back on schedule. However that part of the world remains volatile and the group won't say how much of its business it does there. The thinly traded shares stand on a fully-taxed p/e of 10 and the reduced *dividend gives a yield of 9.6* per cent.

Midway loss at Goodman Brothers

TAKING into account write-downs and a revised basis of stock valuation, Goodman Brothers has incurred a loss of £183,000 for the half year ended October 31 1981.

In the first half of the corresponding period the group made a *profit of £214,000*, but this had only increased to £225,000 by the end of the financial year. On the outlook for the current year, the chairman expressed confidence that the company was in a fit state to tackle increased demand that would hopefully arise when the economic tide began to turn.

The write-downs in the latest half year were in connection with the rationalisation of the coat making subsidiaries. The group makes ladies outerwear under the Richmond, Lesgil, Linzi, and Sidwall labels. The basis of stock valuation was revised to bring it into line with that used at the year end.

Turnover for the period fell slightly from £5.9m to £5.28m. There is a tax credit of £38,000 which represents only the relief available in respect of the previous year, to leave the net loss at £145,000. Last time the net profit came out at £103,000 after a tax charge of £111,000.

Decrease at Hunt & Moscrop

For the six months to December 31 1981, taxable profits of industrial machinery maker, Hunt and Moscrop (Middleton), fell to £133,000, compared with £239,000 last time. Comparisons have been restated to exclude the results of a subsidiary disposed of.

The incoming order position has shown an improvement over the comparative period, but due to the lead time between order and delivery the benefits have not fallen into the half year under review.

In these circumstances and taking into account the current cash requirements, the board is reducing the interim dividend from 0.36p to 0.3p net per 5p share. Stated earnings per share were 0.35p (0.8p).

Trading profits for the half year declined from £428,000 to £274,000, before lower interest charges of £141,000 (£189,000). Tax charge was little changed at £62,000 (£51,000) and the interim absorbing £70,000 (£84,000) retained earnings emerged at £11,000, compared with £104,000.

For the 12 months ended June 30 1981, pre-tax profits rose from £258,000 to £467,000, from which dividends totalling 0.9p per share were paid. At the AGM in December, the board anticipated that first-half figures would be under pressure, but that the situation should be somewhat redressed in the second six months as contracts awarded came through to delivery.

Bridgewater falls but lifts payment

TAXABLE PROFITS of Bridgewater Estates, development and administration of land interests, concern, fell from £897,432 to £701,291 for 1981, but the dividend is increased to 18p net per share, against 16p, with a final of 13.5p.

Tax charge for the year took £77,131, compared with £79,169, and earnings per share are 23.11p (30.3p) on a net basis.

Record £2.3m for STV after better second half

SECOND HALF 1981 profits, before tax, of Scottish Television, the television programme contractor for Central Scotland, increased by 62 per cent to £1.42m. *This more than offset the* first half downturn and left profits for the full year 15 per cent ahead at a record £2.34m, on a turnover up from £27.57m to £33m.

For the first six months the group reported profits some 20 per cent lower at £920,000 but the directors forecast second half profits substantially better.

Sir Campbell Fraser, the chairman, reports that advertising revenue since the beginning of 1982 has remained good, but warns that with the approach of *Channel 4, and the associated* costs, pressure on profits will be considerable throughout the year.

The dividend for 1981 is lifted from 5.95p to 7p, with a final of 5.25p.

The chairman says that the *year's results enabled the company* to finish its old contract on a high note. He explains that after a slow start the year improved as it went on, with very buoyant advertising revenue in the autumn and winter. *The company also improved its share of* total ITV revenue.

The company's programmes again won a number of awards, and sales of programmes to the network and elsewhere continued satisfactorily. Sir Campbell says that alongside these achievements the company continued to develop the social and community aspects of its productions for the region.

He says that the company has entered the new contract effective from the start of this year "in good heart ready to welcome and participate in all the opportunities which developing broadcasting will bring."

Net profits for 1981 came through at £1.47m (£1m) and earnings per 10p share are stated at 28.4p (19.51p). The previous year's corresponding *CCA net profit is given at* £847,000.

Shaw & Marvin's cash call

Shaw and Marvin, a small, lossmaking textile group, is raising £347,000 by way of a rights issue of 2.35m shares on the basis of three at 11p each for every two held on March 8.

The group, which is forecasting a loss of £71,000 in the current year to March 31 1982, intends to apply the proceeds to reducing its dependence on bank borrowings and to provide additional working capital.

Six of the seven directors intend to take up their full allotments, and the *balance of the* issue has been underwritten by brokers Gittins and Co.

Among those taking up their rights, Mr Charles Gooch, the chairman, has a 90 per cent stake in Buckland Securities, which holds 14.35 per cent of Shaw and Marvin. Mr G. S. Pearson and Mr D. A. Johnson, who joined the board in January, together hold 7.5 per cent of the shares. They have also subunderwritten the rights issue up to a point where their combined holding reaches 29.9 per cent.

Shaw and Marvin has reported losses in the past two years and has not paid a dividend since 1978-79. The directors will not recommend a dividend for the current year. Net tangible assets in the last balance sheet totalled £81,000.

The Beeston freehold premises are considered inefficient and the main contributing factor to the dyeing division's poor trading performance. Smaller accommodation is being sought, and the directors are confident this property can be sold favourably for redevelopment.

The group is to be expanded as a specialised textile group. Selective capital investment will be made in more modern plant so that the dyeing division can offer its customers "jumbo" and "package" dyeing as well as the more traditional "hank" dyeing.

Dealings in the new shares in the rights issue begin in nil paid form on March 15. The final date for acceptances is April 6.

Gold mine dividends disappoint

THE RECENT weakness in the bullion price and the inexorable rise in working costs have led to some sharp reductions in interim dividend payments by the Gencor group's gold mines in South Africa's Evander area.

The share market had been expecting more from most of the mines concerned, with the exception of the young Unisel. This mine's interim of 45 cents (25p), a rise of 5 cents over the previous year's corresponding payment, came at the top end of expectations.

The current interim dividends are compared in the accompanying table.

Bracken followed last year's interim with a 30 cent final for a total of 60 cents, Kinross paid a final of 86 cents to make a total of 166 cents, Leslie followed the interim with a final of 25 cents for a 54 cents total, Unisel's total was 95 cents after a final of 55 cents and Winkelhaak's total 410 cents after a 190 cents final.

	1982 March cents interim	1981 Sept cents final	1981 March cents interim
Bracken	14	30	30
Kinross	62	86	80
Leslie	12	25	29
Unisel	45	55	40
Winkelhaak	158	190	220

ASHLEY PRODS.

Thamesply Leasing, wholly-owned subsidiary of Ashley Industrial Trust, has changed its name to Ashley Productions.

Its Memorandum of Association has been changed to enable the company to engage in the financing and production of feature and other films in addition to its existing leasing activities.

BIDS AND DEALS

M P Kent offers £15.4m for Federated Land

BY WILLIAM COCHRANE

MP Kent, the Bristol-based property developer, trader and housebuilder, last night mounted a 142p a share bid for Federated Land, the town centre retail *property developer, valuing the* latter's total equity at £15.4m.

Kent acquired 14.72 per cent of the Federated shares, which rose 14p to 146p on last night's news, in a share raid last September.

Earlier this week Federated made an agreed *£13.7m* bid for Estates and General Investments, the property investment and development company effectively controlled by the private housebuilding concern Prowting Holdings.

Mr Michael Kent, founder, chairman and chief executive of MP Kent, said that his bid for Federated was conditional on the bid for E and G either not proceeding, or lapsing.

Kent believes that the Federated offer for E and G "is not in the best interests of Federated shareholders." It back this up with its own interim figures *showing sales* for the six months to last December up from £10.4m to £12.4m, profits before, and after a nil tax charge, of £2.66m against £2.07m, and an interim dividend increased by 20 per cent to 0.36p per share.

The rationale of the bid, said Mr Kent last night, includes the fact that Kent currently has surplus liquidity "which will reduce significantly Federated's borrowings."

Federated's bid for E and G and its previous, and abortive plans to sell off a major asset—the Hempstead Valley shopping centre in Kent—were designed with the reduction of borrowing ratios in mind.

Mr Kent added that putting together his own company's liquidity, trading record and investment income together with Federated's ability to find prime shopping centre developments added up to a potentially good marriage.

However, if Federated decides to fight, it seemed likely in the City last night that it would fight on assets per share calculations. Federated managing director Mr Peter Meyer said earlier this week that the E and G takeover would increase his company's assets from 182p to 190p a share after revaluations in both cases.

Kents' assets, after the interim figures, were *estimated* at around 42½p a share by Mr Kent last night. The terms are two Kent plus 10p a share for each Federated.

Further development at Abwood

The chain which extends from Kuala Lumpur through to the Cayman Islands and has already taken the small, loss-making group **Abwood Machine Tools**, through a rights issue and a capital reconstruction is now leading to property investment in Covent Garden.

The story so far is that Abwood raised £225,000 last autumn through a one-for-one rights issue of new shares at 7½p each. The group then unified the new share structure with the existing equity, which had a par value of 10p per share, through a capital reconstruction which requires the approval of shareholders at an *extraordinary meeting on March* 29.

The effect of the rights issue has been to give a leading sub-underwriter a near 34 per cent holding in Abwood. He is Mr H. K. Chai, a property developer based in Malaysia, who has used his Cayman Islands vehicle, Madison Investments, to effect the deal.

The proceedings scheduled for the shareholders meeting have now been augmented by the resolutions which will enable Abwood to acquire at 51 per cent interest in Belvoirtree from its parent company, Newport Plaza, which is a quarter controlled by Madison and 75 per cent owned by a private Malaysian investor, Mr S. W. Gordon Ng. The deal is to be satisfied by the issue of 2.04m Abwood shares at par value.

Newport Plaza will then arrange that 680,000 new shares will be placed with Madison and *the balance will be placed with* unconnected institutions and private clients by Henderson Crosthwaite, Abwood's brokers, and Bone Fitzgerald, the broking firm which introduced the group to Madison.

As a result, Madison will own 33.8 per cent of the enlarged capital but, subject to shareholders' approval on a poll, the Takeover Panel will waive its requirement for a full bid under Rule 34 of the City Code.

Mr Geoffrey Suckling, chairman of Abwood, writes in a letter to shareholders that the board "is conscious of the recent poor operating performance of the company which is due among other reasons, to its high gearing and to the deep and continuing recession."

While Belvoirtree will pursue new property development as and when opportunities arise and although it is borrowing £300,000 from a leading Singapore bank, United Overseas, to *help fund a* £585,000 acquisition of a number of shop and office properties in Cranbourn Street on the Covent Garden/Leicester Square border, Abwood emphasises that its main interest "will continue to be in the engineering sector."

ELDERS' OFFERS UNCONDITIONAL

The offers on behalf of Elder Smith and Company, a wholly-owned subsidiary of Elders IXL, to acquire the whole of the reorganised share capital of Wood Hall Trust have been accepted in respect of 14.18m ordinary, and the same number of deferred, representing 57.8 per cent.

On February 10, a wholly-owned subsidiary of Elders IXL owned 3.13m (12.7 per cent) ordinary Wood Hall; and since that date a further 4.23m (17.2 per cent) ordinary have been acquired.

Elder Smith has declared both the ordinary and deferred offers *wholly unconditional.*

Acceptances have also been received in respect of 735,312 4.55 per cent preference shares, representing 73.5 per cent. This offer has also been declared wholly unconditional. The offers remain open for acceptances *until April 16, 1982.*

Argus Press U.S. deals

Argus Press Holdings, a subsidiary of British Electric Traction, has made further *inroads in American publishing,* having acquired the trading businesses of Syndicate Magazines, St Regis Publications and Larchmont Enterprises.

The three companies are specialist publishers based in New York. The whole share capital of Ace Electronics Publications SA, of Fribourg, Switzerland is also included in the acquisitions.

The three American companies publish eight specialist magazines in the areas of health foods, *consumer electronics and* art and design materials, together with a number of associated directories, books and trade show newspapers. The Swiss company publishes four editions of an international electronics magazine with several of its own *directories in Europe.*

The acquisitions are expected to increase the Argus Press turnover by an amount in excess of *$25m.*

Last year, Argus bought Communication Channels of Atlanta, Georgia.

CHAMBERLAIN PHIPPS EXPANDS

In a further move to *strengthen its activities in the* adhesives industry, **Chamberlain Phipps** has agreed to acquire **Idenden Adhesives and Insulation Coverings.**

The aggregate value of the consideration is £405,000 — £245,000 cash and the rest by issue and allotment of Chamberlain ordinary shares.

The value at December 31 1981 of the net assets being acquired was £388,000, and the profits before tax of the two companies for the year ended on that date £101,000.

BICC ups Canadian investment

BICC, the cable manufacturer and engineering group, has increased *its 54 per cent* shareholding in Phillips Cables, the Canadian wire and cable manufacturer, to 81 per cent in a deal worth US$23.8m (£13.14m).

The increased investment, said BICC yesterday, is regarded as part of the company's long range strategy "to strengthen Phillips' North American operations."

BICC has purchased its latest 27 per cent stake in Phillips from GK Technologies Incorporated, a U.S. company.

The purchase of the shares from GK Technologies (formerly General Cable Corporation) brings to an end an association which started in 1962 when BICC sold this block of shares to General Cable.

The relationship was further cemented in 1970 with the establishment of direct cross shareholdings between General Cable and BICC. These direct holdings were, however, terminated in 1978 when it was clear that they were no longer in the interests of the parties, and since this time, the only common interest of the two companies has been in Phillips Cables.

The remaining 19 per cent of Phillips Cables continues to be owned by the Canadian public and is quoted on the Toronto stock exchange.

Phillips manufactures power cables, construction and general wiring cables, telecommunication (including optical fibre) cable and conductors. At present there are eight plants across Canada, with a ninth under construction at Watertown in New York State.

There are two main factories in Ontario and six low overhead satellite plants in British Columbia, Alberta, Manitoba, Nova Scotia and two in Quebec.

HIGHAMS BUYS SEAL MARINE

Mr Roger Harris, partner in chartered accountants Peat, Marwick, Mitchell and Company, Plymouth, and the receiver of **Seal Marine**, the largest manufacturer of wetsuits in the UK, has sold the business as a going concern to **Highams.**

NCC ENERGY

NCC Energy has reached agreement to acquire from Allgemeine Treuhand its 412,163 common shares in Ni-Cal Developments for a consideration of £800,000. This is to be satisfied by the issue of 800,000 NCC ordinary stock units.

SHARE STAKES

Lynton Holdings—M. Lambert, director, disposed of 20,000 shares from his non-beneficial interest.

Western Board Mills—Mr H. H. Vogel, chairman, disposed of 100,000 ordinary shares.

City and Foreign Investment—Drayton Commercial Investment has sold its entire holding of 218,000 ordinary shares, and Drayton Consolidated Trust has sold its entire holding of 291,000.

Crossfriars Trust—Equitable Life Assurance now holds 1,275,000 ordinary shares (12.75 per cent) held by it and a subsidiary, University Life Assurance Society.

Results due next week

The fourth quarter results *from* **British Petroleum** are expected to round out a lacklustre year. Analysts are predicting declared net income to fall to between £970m and £1.17bn for the year ended last December, against £1.435bn last year. Stock profit estimates vary but the underlying net income will be substantially weaker than last year's. Sohio remains the group's main money-spinner with North Sea operations staging some improvement in the year's second half. The group continues to reduce downstream losses, but remains hampered by difficult trading conditions. Excess capacity in petrochemicals and plastic markets point to losses in these sectors as well. The market expects a maintained dividend for the year of 21.5p net.

Analysts will be surprised if **Midland Bank**, which reports full-year figures on Friday, surpasses last year's pre-tax figure of £231.8m. The market is geared for the results to fall between £215m and £220m for the year ended last December, but analysts are at sea on the probable size of Midland's bad debt provisions. The Crocker acquisition will take a bite out of fourth quarter earnings and add something to the group's bad debt provision, but this will *depend on how the recent* Crocker figures are taken in. The second half figures will show some improvement on the *first half, thanks in large part to* the seasonal gain at Thomas Cook. The domestic banking contribution is expected to be fairly sluggish. The market's outlook for the current year is more optimistic and it expects an improved dividend next year, perhaps to 23p against 22.5p.

Guest Keen and Nettlefolds managed a sharp turnround into profitability at the interim stage but the big engineering group is still suffering from weak demand for most of its products. The group's preliminary statement is due on Thursday and pre-tax profit for the year is expected to be about £30m compared with a loss of £1.2m. Profit recovery continues to be due largely to loss elimination and severe cost cutting. At the interim stage, the group absorbed £6.7m above the line for redundancies and a further significant charge is anticipated in the second half. The special steels division is believed to have returned to profit in the second half and, until the U.S. and European markets for automotive components deteriorated late in the year, there was some hope of an increase in the final dividend. Now it looks like being held at 4p, making 8p for the year, *unchanged from last year.*

The chairman of **Brooke Bond** said at the annual general meeting in December that trading in *the first four months of the* current year had been satisfactory. Analysts have taken that statement cautiously and are looking for an improvement of about 10 per cent on the depressed pre-tax profits of £19.3m reported in the previous period. The interim figures are due on Tuesday. Mallinson-Denny is still not making any contribution after financing costs while profits in the UK tea business may be suffering as a result of the aggressive tactics of Cadbury-Schweppes. Heavy promotion spending on the new Red Mountain coffee added to costs but the market still disposals of the past few months will have reduced finance charges. The dividend is expected to be held at 1.25p.

Estimates of **Turner and Newall's** 1981 profits vary widely from about £14m to £22m before tax compared with £6.4m last year. The company's main UK businesses, plastic and industrial materials, automotive components and construction materials, have all been badly hit by the recession and rationalisation costs have been high. The overseas building materials side continues to do well but Hunt Chemical in the U.S. has proved disappointing. The group's results are due on Wednesday *and the final dividend is expected* to be held at 3p, making 6p for the year.

Barratt Developments' interim results, due on Monday for the six months to last December, are expected to please. Analysts are looking for £14m-£15m pre-tax, against £11.8m last time, despite the tough conditions in the UK housing market. Building houses is all about selling them, according to Barratt, and its aggressive marketing techniques allowed the group to boost new house sales 20 per cent by the end of November. For the full year, Barratt could complete and sell around 14,000 units, which would be a 16 to 18 per cent overall improvement. The U.S. move should do better than wash its face this year and provide a useful contribution in 1982-83. Barratt now aims to build up its presence in the south-east — a move its rivals seem unlikely to check. The market expects £35m-£38m for the year, against £30.5m last time. The dividend is expected to rise by 20 to 25 per cent from last year's 12.35p.

Other companies reporting figures next week include **Thomas Tilling**, which will produce its preliminary report on Wednesday and **Sedgwick** which reports full year figures on Friday. BL's preliminary figures will also arrive on Friday while **Britannic Assurance's** preliminary figures are to fall on Wednesday. **Guinness Peat** produces interim figures on Tuesday. **Bejam's** interim report will arrive on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Bibby (J.) & Sons	Tuesday	2.2	4.925	2.4
BL	Friday	—	—	—
Boddingtons Breweries	Tuesday	1.4	1.6	1.6
British Petroleum	Monday	6.25	14.0	6.25
Britannia Arrow Holdings	Wednesday	—	1.0	0.7
Britannic Assurance	Wednesday	4.9	9.0	5.45
Bronx Engineering Holdings	Tuesday	0.29	0.79	0.25
Canning (W.)	Monday	1.724	2.254	1.724
Carlton Industries	Monday	4.0	8.0	2.5
Cement Roadstone Holdings	Monday	2.1	3.23	2.3
Charterhouse Petroleum	Tuesday	—	0.5	0.25
Collins (Wm.) & Sons (Hldg.)	Wednesday	0.5	2.5	3.0
Corah	Wednesday	1.25	1.65	1.25
Edinburgh Investment Trust	Friday	0.84	1.12	0.95
Exco International	Tuesday	—	—	—
Fisher (James) & Sons	Thursday	1.0	1.15	1.15
Guest Keen & Nettlefolds	Thursday	4.0	4.0	4.0
Hall Engineering (Hldgs.)	Thursday	3.41	4.2	3.41
Hewitt (J.) & Son (Fenton)	*Wednesday*	—	1.8	0.45
House of Lerose	Thursday	2.0	4.0	2.0
IMI	Tuesday	2.0	2.5	2.0
Jacobs (John I.)	Wednesday	0.7	2.1†	0.7
Johnson Group Cleaners	Wednesday	2.0	5.0	2.15
Johnstone's Paints	Tuesday	—	—	—
KCA Drilling Group	Thursday	—	—	—
Lancaster (D. M.)	Monday	—	0.6125	—
Lex Service Group	Wednesday	2.8	4.2	2.8
Liverpool Daily Post & Echo	*Thursday*	3.462	6.038	3.7
Mackay (Hugh)	Wednesday	1.4	2.22	1.4
MEMEC	Monday	—	—	1.0
Metalrax Group	Monday	0.74545	1.43636	0.75
Midland Bank	Friday	7.5	14.0	8.0
Montford (Knitting Mills)	Friday	1.0	1.0	1.0
Ryan (L.) Holdings	Wednesday	—	—	—
Sale Tilney	Thursday	3.5	4.0	3.75
Sedgwick Group	Thursday	2.0	3.0	2.25
Sharpe & Fisher	Thursday	0.55	1.25	0.55
Silkolene Lubricants	*Friday*	1.05	3.95	1.05
Steetley	Thursday	4.0	6.5	4.0
Supra Group	Thursday	0.75	1.25	0.75
Tilling (Thos.)	Wednesday	3.5	4.0	3.5
Trade Indemnity	Tuesday	2.2	4.14	2.365
Transport Development Group	Monday	1.45	2.8	1.45
Turner & Newall	Wednesday	3.0	3.0	3.0
V W. PLC	Monday	—	—	—
Waverley Cameron	Monday	—	3.75	—
INTERIM DIVIDENDS				
Barratt Developments	Monday	2.8	7.08	
Bejam Group	Thursday	0.9375	1.125	
Brooke Bond Group	Tuesday	1.25	2.655	
Boulton (Wm.) Group	Wednesday	—	0.1	
Chambers & Fargus	Monday	0.5	1.5	
Ductile Steels	Tuesday	—	4.5	
Guinness Peat Group	Tuesday	2.75	1.25	
Jarvis (J.) & Sons	*Monday*	6.0	7.2	
Lawtex	Wednesday	1.0	0.5	
Link House Publications	Monday	3.2	8.8	
Mucklow (A. & J.) Group	Thursday	1.8842	2.0	
Pressac Holdings	Thursday	0.35	0.75	
Thorpe (F. W.)	Thursday	1.0	1.45	
Victor Products	Monday	1.5	2.75	
Waring & Gillow (Hldgs.)	Friday	1.5	4.0	
Wolseley-Hughes	Tuesday	4.4	9.35	
Yarrow	*Monday*	2.5	5.65	
INTERIM FIGURES				
Compco Holdings	Tuesday			
Jones (Edward) Group	Tuesday			
Peel Holdings	Monday			

*Dividends are shown net pence per share and adjusted for any intervening scrip issue. † Includes a special centenary dividend of 0.5p.

TOUCHE REMNANT

strategy and structure for the 80's.

Since its origins in the 1890's, the Touche Remnant Group has become one of the largest money managers in the United Kingdom, currently supervising gross assets of approximately £1,300 million.

The original relationship between the investment trusts managed by Touche Remnant ("the Trusts") and Touche Remnant, whereby the Trusts availed themselves of essential management with all the necessary services, is undergoing fundamental change. The present concept is to make use of Touche Remnant in developing greater identity both to serve current investor requirements and to make certain strategic investments on a group rather than an individual Trust basis.

In recent years, Touche Remnant has expanded its activities within the money management sector. Through the Trusts, a holding was taken in Datastream Limited, the statistical and financial information service company; a significant investment was made in R.P. Martin & Co. Limited, one of the larger international money brokers, and TR Energy Public Limited Company was formed to invest directly and indirectly in oil and gas interests, principally in the United States, and in 1981 part of its share capital was offered for sale to the public, the remainder being owned by the Trusts.

More recently, Touche Remnant announced its intention to form a financial services department which will extend its existing portfolio management services to small institutions and individuals. On 24th February, 1982 it was announced that the Trusts were acquiring a 20 per cent. holding in the trade-related financial services group being formed by the merger of Henry Ansbacher Holdings Limited and Seascope Holdings Limited. This enlarged group is also being supported by the Lissauer Group, a substantial association of private companies trading principally in ferrous and non-ferrous metals and ores, and in chemicals.

The Boards of Touche Remnant and of the investment trusts involved believe that the changes now proposed are in the best interests of the investment trusts' shareholders and represent a major step forward in the development of the Touche Remnant Group. The reasons behind the proposals are outlined in the following statement by Lord Remnant, the Chairman of Touche, Remnant & Co. who refers to the detailed document: the "Touche Remnant strategy and structure for the 80's", available on request as mentioned below.

STATEMENT FROM THE CHAIRMAN

In the Touche Remnant Annual Review for 1980/81, the then Chairman, Sir Anthony Touche, referred to the investment trust movement in the following way:

"In a continually changing business such as ours there is the ever present challenge not only to adapt but also to anticipate change."

As the new Chairman, I should like not only to reiterate that statement as a cornerstone of Touche Remnant's past and present philosophy, but also to use it to introduce this document* which contains proposals affecting the future of Touche Remnant and certain of the investment trusts for which it provides management. These trusts are named in the summary of the proposals at the front of this document and are hereinafter referred to as the "Trusts".

In order to understand fully the concept behind the proposals, it is necessary to review briefly the recent history of the investment trust movement. 1965 was a year which had a significant adverse influence on the movement with the introduction of long term capital gains tax, the 25 per cent. surrender requirement relating to the investment currency premium and the loss of certain important double taxation relief benefits. The suspension of exchange control regulations in 1979 and the abolition of tax on capital gains realised by investment trust companies, which followed in 1980, represented the lifting of the two major barriers standing in the way of the movement's development and gave it the opportunity to exploit the advantages it holds over alternative methods of investment.

As explained in greater detail in the following pages, investor requirements are changing and we believe that the Trusts' shareholders expect Touche Remnant to identify and satisfy such requirements. Investors want to be in above average growth areas and sectors of the world economy, the continued identification of which requires specialised investment skill. Touche Remnant and the Trusts believe that the future lies in greater sectorisation of investment trusts' portfolios than has hitherto been achieved, coupled with more specialised investment management.

Touche Remnant accepts that there are certain investors who may not want to see such dramatic changes and that there remains a significant demand from investors for actively managed trusts with less specialised investment policies.

This document details the proposed changes, which have been unanimously agreed upon and accepted by the Board of Touche Remnant and by the Board and management of each Trust.

During the course of formulating these proposals, careful consideration was given to various schemes involving unitisation, liquidation, terminal dating and amalgamation of the Trusts. The Board of Cedar Investment Trust, PLC, after consultation with Kleinwort, Benson Limited and James Capel & Co., has decided to put to shareholders proposals for the unitisation or liquidation of Cedar Investment Trust, PLC in the near future.

We at Touche Remnant believe that we have one of the most comprehensive research teams of all the investment trust management groups. This team provides the material and information required by Touche Remnant and the Trusts, and will be vital to ensure successful implementation of the proposals.

The management provided to the Trusts has extensive expertise and experience. However, we do recognise that it is possible to enhance it in certain ways to provide the increasingly specialised knowledge now required. In particular, Advisory Boards have been set up to advise Touche Remnant with regard to investment in North America, the Pacific Basin and Europe. In addition, certain of the Trusts will be appointing to their Boards directors who will be bringing with them particular knowledge and experience which would otherwise not be available. Further details of these Advisory Boards and other Board changes are included in this document.

At present, certain of the Trusts have investments of varying sizes in the share capital of certain of the other Trusts. The Boards of the Trusts will naturally re-examine them and consider if their retention is appropriate in the context of the Trusts' investment policies.

The proposals have been drawn up in consultation with the Boards of the Trusts and with our advisers, Kleinwort, Benson Limited and James Capel & Co. We at Touche Remnant believe that the proposals are in the best interests of all the shareholders of the Trusts and are confident that the proposals represent a very significant step forward in our development and that they will confirm both Touche Remnant's and the Trusts' position at the forefront of the investment trust movement.

REMNANT
Chairman,
March 1982.

Remnant

Proposed revised structure

The Trust	Sector	Formerly
TR Technology Investment Trust PLC	Advanced technology	Atlas Electric and General Trust, PLC
TR Australia Investment Trust PLC	Australia	C.L.R.P. Investment Trust PLC
TR City of London Trust PLC	Unrestricted: weighted to higher than average income	The City of London Trust PLC
TR North America Investment Trust PLC	North America	Continental Union Trust PLC
Cedar Investment Trust, PLC	Proposed unitisation/liquidation	

Formerly	Sector	The Trust
The Industrial and General Trust, PLC	Unrestricted: weighted to capital and income growth	TR Industrial and General Trust PLC
The International Investment Trust, PLC	Pacific Basin	TR Pacific Basin Investment Trust PLC
Sphere Investment Trust, PLC	Natural Resources	TR Natural Resources Investment Trust PLC
The Trust Union, PLC	Property	TR Property Investment Trust PLC
The Trustees Corporation PLC	Unrestricted: weighted to smaller companies	TR Trustees Corporation PLC

TOUCHE, REMNANT & Co.

*A document giving full details of the reorganisation and the reasons behind it has been posted to the shareholders in the investment trusts concerned. If you would like to receive a copy, please write asking for "Touche Remnant strategy and structure for the 80's" to: Patrick Webb, Company Secretary, Touche, Remnant & Co., Mermaid House, 2 Puddle Dock, London, EC4V 3AT.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

On Wednesday, Mr Robert Holmes à Court mounted a further takeover bid for **Associated Communications Corporation** which places a value of £60m on the entertainments group. The bid of 110p per share cash is being made through TVW Enterprises, an associate of his master company, Bell Group. Last Saturday, Mr Holmes à Court upped his bid for ACC to 95p per share to comply with Takeover Panel rules. **Heron Corporation** has yet to declare its hand following the new developments.

Great Northern Investment Trust is merging with **RIT**, the investment trust run by Mr Jacob Rothschild. The move will create an investment group with total assets of about £255m and funds under management of between £450m and £500m. Great Northern is to exchange its shares for RIT's on a formula based on net asset values on the day when the deal becomes unconditional.

Federated Land made an agreed bid for **Estates and General Investments**, the property company effectively controlled by private housebuilding concern Prowting Holdings. The terms, five Federated shares for nine E and G, value the latter at £13.7m.

ICI is to buy the PVC-plastic business of **Lonza**, a subsidiary of the Swiss-based Alusuisse Group. Neither company gave details of the price, but chemical industry experts reckon the deal involves £50m.

Cadbury Schweppes reached agreement on two overseas acquisitions for a total outlay of some £47m. The company is buying **Duffy-Mott**, a subsidiary of American Brands, for £33m and 66 per cent of soft drinks concern **Rioblanco S.A.** of Spain for £14.2m.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Assoc. Comms. 'A'	68*	107	52††	35.8	Bell Group
Assoc. Comms. 'A'	90*	107	52††	46.13	Heron Corp.
Assoc. Comms. 'A'	110*	107	52††	59.70	TVW Enterprises
CCP North Sea	182§§	175	145††	14.27	Charterhouse Pet.
Ests. & Gen. Invs.	81	63	58	14.71	Federated Land
Federated Land	142§§§	146	133	9.26	Kent (M. P.)
Grant Bros.	190*	186	179	2.28	Jadepoint
Heron Motor Grp.	34*§	32	23	4.33	Heron Corp.
Holden (A.)	180*	181	158	12.82	ICI
Huntley & Plmr.	106§§§	112	108	57.90	Rwntree. Mkntsh.
Leadenhll. Strlng.	125*‡	118	65††	5.62	Hays
Normand Electrl.	58½§§	53	41††	5.26	Henderson (P. C.)
Speedwell Gear Case	15*	13	23	14.40	Astra Ind.
Tunnel Hldgs.	553§	555	565	126.71	RTZ
Wood Hall Trust	215*	213	156	52.74	Elders IXL

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on March 12 1982. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
AID Group	Oct	129	(103)a	1.1	(1.3)a	0.3	(—)
Alcan Almn. (UK)	Dec	25,700L	(3,200)	—	(4.4)	—	(3.3)
Ault & Wiborg	Dec	120	(1,180)	0.1	(5.6)	1.25	(1.8)
Brit. Aluminium	Dec	22,300L	(12,130)	—	(19.7)	—	(7.5)
British Vita	Dec	7,970	(7,110)	16.5	(18.7)	5.4	(5.2)
BTR	Dec	90,100	(70,300)	23.9	(19.7)	8.75	(7.17)
Cadb'y Schweppes	Dec.	80,600	(81,300)	17.7	(15.1)	4.6	(4.1)
Clarke (T.)	Dec.	642	(582)	4.3	(13.4)	1.75	(1.67)
Comben Group	Dec	4,100	(5,780)	10.0	(14.1)	2.55	(2.55)
Davies & Metcalfe	Dec	896	(242)	14.1	(7.1)	1.97	(1.47)
Dewhurst Dent	July	1,460L	(1,330)L	—	(—)	—	(—)
Dixor-Strand	Sept	92L	(363)L	—	(—)	—	(—)
East Lancs. Paper	Dec.	569	(103)	7.3	(14.5)	3.5	(3.5)
Farmer (S. W.)	Dec	34L	(1,020)	—	(26.1)	9.17	(9.17)
Greenflds. Leisure	Oct	1,870L	(14)	—	(0.12)	0.5	(2.15)
Invergordn. Dstlr.	Dec	3,810	(4,370)	17.0	(20.2)	4.0	(4.0)
IOM Enterprises	Oct	87	(111)	6.7	(9.7)	4.0	(4.0)
Jacks (William)	Dec.	551	(221)	6.5	(0.7)	—	(0.35)
Jeavons Engn.	Dec	631	(932)	8.4	(—)	2.25	(—)
New Equipment	Oct.	202	(151)	5.4	(5.02)	1.05	(1.05)
Nu-Swift Inds.	Dec.	566	(1,090)	1.9	(2.6)	2.14	(2.05)
Pentos	Dec.	1,870L	(2,220)L	—	(—)	—	(1.4)
Refuge Assurance	Dec.	3,600c	(3,070)c	17.2	(14.7)	14.5	(12.3)
R. Dutch/Shell	Dec.	1.8d	(2.23)d	62.3e	(78.1)e	20.5e	(19.1)e
Romai Tea	June	344	(486)	42.0	(45.4)	22.5	(22.5)
Schroders	Dec	14,710§	(8,230)§	94.0	(52.6)	13.5	(10.5)
Stag Furniture	Dec	1,340	(1,470)	10.4	(12.0)	5.0	(5.0)
Tube Investments	Dec	23,100L	(26,700)	—	(18.5)	7.5	(15.0)
United Biscuits	Dec.	60,900	(49,200)	14.1	(12.6)	5.25	(4.37)
Williamson Tea	June	2,460	(3,960)	24.1	(37.2)	12.5	(12.5)
Woodhse. & Rixsn.	Dec	607	(584)	5.9	(4.0)	1.4	(1.4)
Woolworth (F.W.)	Jan	38,260	(39,220)	5.9	(8.0)	4.26	(4.79)
Yorkgreen Invs.	Oct	177‡	(120)¶	3.0‡	(1.9)¶	0.66‡	(0.44)¶

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
AAH Holdings	Dec	5,540‖	(6,490)‖	2.1	(1.91)
Abwood Machine	Sept.	25L	(7)	—	(—)
Courtney Pope	Nov	410	(310)	1.2	(1.2)
Galliford	Dec	1,390	(1,380)	0.7	(0.56)
Green (R.) Props.	Dec	657	(508)	0.8	(0.7)
HTV	Jan.	3,480	(1,510)	4.00	(3.5)
Manganese Brnze.	Jan	182L	(637)L	—	(—)
Martin (R. P.)	Dec	3,560	(705)	3.65	(2.75)
Matthew Clarke	Dec.	1,870b	(1,730)b	2.0	(2.0)
Metal Products	Sept	25L†	(36)†	—	(—)
Parker Knoll	Jan	1,150	(1,180)	2.5	(2.5)
Scholes (Geo. H.)	Dec	1,270	(390)	6.0	(4.0)
Sheldon Jones	Nov	296	(266)	3.3	(3.0)
Solus Group	Dec	95L†	(87)L†	0.53	(0.53)
Staffs. Potteries	Dec.	294L	(595)L	—	(—)
Stocklake Hldgs.	Sept.	2,290	(1,638)	3.0	(1.0)
West & Country	Oct	215	(176)	2.0	(1.25)

(Dividends in parentheses are for the corresponding period.)

* Dividends shown net except where otherwise stated. † In IL. ‡ For 18 months. ¶ For previous 12 months. ‖ For nine months. § After tax profits. a For previous 19 months. b For eight months. c Net taxed profits. d Net income in £bn of Royal Dutch Shell Group. e Dividend and earnings per share are for Shell Transport and Trading. L Loss.

Offers for sale, placings and introductions

AIM Group—Is being floated on the Stock Exchange later this month by way of an offer for sale.

Close Brothers Holdings—Private placing.

IRISH COMPANIES REPORT

203% advance by W & R Jacob

DESPITE THE continuing impact of high inflation and the economic recession, **W. and R. Jacob and Co**, the Dublin biscuit manufacturer, reports a 203 per cent increase from I£526,000 to I£1.6m in pre-tax profits for 1981.

Turnover rose from £34.71m to £44.27m. The final dividend is raised from 2.1p to 3p net for an increased total of 4.5p against 3.3p.

Mr C. Gordon Lambert, the chariman, says the company has been expanding its trading base both in its traditional biscuits *markets and by entering other* areas of the Irish food market, including the successful launch of Jacob's Instant Coffee. He says the company has made a good start to the current year and he expects further improvement.

Tax for the year took £33,000 against a credit of £10,000, leaving net profits of £1.56m compared with £536,000. Dividends absorb £280,000 (£209,000). Stated earnings per 25p share were *substantially higher* at 26.1p (8.8p).

At the year-end, shareholders' funds stood at £10.53m (£9.18m).

Trading profits increased from *£1.36m to £2.38m*, which represents 5.4 per cent of sales. Mr Lambert says that in more normal times this rate of profitability would be acceptable in that such profits would provide a sufficient source of funds for necessary re-investment in the business after paying interest charges to lenders, and providing for a fair return to shareholders

Mr Lambert says that much of the progress achieved during the year can be undermined quite *quickly by the ever-increasing* uncompetitiveness of the Irish economy. It is obviously difficult to forecast ahead, he points out, but the group has made a good *start* on this year's trading and he hopes for some improvement in profits in the first half.

Brooks Watson second half lift

A SURGE in second half pre-tax profits at **Brooks Watson Group** from IR£126,000 to IR£1.13m has left this Dublin-based builders' merchant, farm machinery and pharmaceutical distributor well ahead from £350,000 to £1.58m for 1981.

Sales for the year expanded to £137.17m, against £125.16m, and the dividend is boosted to 2.25p (1p) net per 20p share with a final payment of 1.9p.

Although there is no improvement in the economic outlook, directors say the group should benefit from the restructuring carried out, which should be reflected in the outcome for the current year. They anticipate that all divisions will trade at a more profitable level.

During the year, the food distribution, pharmaceutical and construction activities maintained a satisfactory level of performance, the directors state. The water and effluent treatment business of Mahon and McPhillips returned to profitability and the losses in farm machinery distribution were significantly reduced.

The unprofitable DIY venture retailing operation was closed in February 1981, and the builders providers division was sold to Rauma-Repola OY of Finland late in 1981.

The net effect of the various measures has resulted in a turnaround of the group's liquidity from net borrowings of £7.62m at December 31 1980 to a net cash *surplus of £1.02m at December* 31 1981.

Tax for the year took £973,000, against £470,000, and after minority interests of £7,000 (£19,000) and an extraordinary debit of £2.67m (£427,000), the attributable figure came out as a £2.05m loss (£528,000 loss).

Extraordinary items represented the sale of the builders providers division and the withdrawal from trading in two agricultural machinery companies.

Earnings per share are given as 3.57p, compared with 0.69p losses.

Independent Newspapers falls IR£0.9m

REFLECTING A drop in advertising volumes, taxable profits of **Independent Newspapers**, the *Dublin-based newspaper publishing* group, fell by IR£898,000 to £2.15m in 1981, after being down from £2.1m to £1.01m at half time. The dividend is maintained *at 11p per 25p share, with a final* of 7p.

Turnover of the group—which publishes the Irish Independent, the Evening Herald and the Sunday Independent in Ireland and also the Romford and Thurrock Express papers—increased from £43.62m to £51.32m.

The directors state that the figures reflect the continued depressed state of the economies in which the group operates which is shown in "a significant downturn in advertising volumes."

They say that the exception is France where the new outdoor advertising project is performing "very satisfactorily."

Unidare falls

A DROP in second half pre-tax profits from profits from I£1.66m to I£260,000 at **Unidare** *has left this Dublin-based electrical* cables and transformers manufacturer well behind at £678,000 for 1981, compared with a previous £2.59m.

Group external sales were down at £35.51m (£36.22m) and the dividend has been cut to 5.5p (7.5p) per 25p share with a decreased final payment of 3.8p (5.8p).

Profits were after associate losses of £21,000 (£65,000 profit) and there was a tax credit for the period of £27,000 (£425,000 charge). After minority interests of £201,000 (£186,000) the attributable balance came out at £504,000, against £1.98m.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	14	½-year	1,000	4-8

Needlers jumps and pays 1.5p extra

AN INCREASED dividend has been announced by **Needlers**, chocolate maker and manufacturing confectioner, for the year to January 2, 1982. The payment has been been raised from 2.5p to 4p on profits improved by £160,706 to £492,924. Turnover rose from £7.51m to £8.47m.

The directors state that group profit includes a full year for Dickson Orde, as against eight months last time.

Second-half profits for the *group rose from £262,204* to £309,342.

The Needlers Sensations range has continued to expand, say the directors. Sales volume has shown a small increase in the face of a further fall in the consumption of sugar confectionery.

The company's product development and plant investment plans continue but 1982 has not started as well as the directors would have liked.

The charge for taxation for the year fell from £36,023 to £31,953 which left higher net profits of £460,971, compared with £296,195. Stated earnings per ordinary 25p share emerged higher at 22.7p, against 14.4p.

On a current cost basis taxable profits were shown lower at £348,492.

Thos. Jourdan well down but maintains dividend

SALES OF **Thomas Jourdan's** engineering products were depressed during the year *to* December 26 1981 and the consequent losses contributed entirely to the decline in the group's results. Pre-tax profits *for the year fell from £709,575* to £246,933 despite interest charges lower at £43,066 compared with £128,678.

Turnover of this investment *holding company was also lower* at £5.01m against £6.76m. The final dividend is unchanged at 3.5p net for a same-again total of 5.25p.

Mr A. A. McNair, the chairman, says that sales of consumer goods and attendant profits have risen. Royalties suffered a setback during the year, but have *now recovered* their upward momentum.

He says the first quarter of 1982 will show a "substantial *improvement*" in sales and profits compared with the same period last year. The acquisition of Suncrest Surrounds was completed last week, and the directors expect its trading will now contribute useful profits to the group.

Mr McNair says group borrowings were down from £464,527 to £211,982. There was a tax credit of £8,149 against a debit of £368,117, leaving attributable profits lower at £255,082 compared with £341,458. Stated earnings per 10p share fell from 8.47p to 6.26p. On a CCA basis, pre-tax profits were £202,109 (£569,336).

Mary Quant Holdings holds 1.2m (29.47 per cent) ordinary shares in the company.

BCE PURCHASE

The British Central Electrical Group has purchased the assets of Advanco Electrical Wholesale (a part of the Bournemouth-based Aid Group), from its joint receiver Mr Peter Copp of Stoy Hayward. Advanco has branches at Southampton, Newport (Isle of Wight), Poole, Torquay, Andover and Reading, with annual sales running at about £2m.

Advanco will trade in future as Advanco (1982), a wholly-owned subsidiary of BCE.

Thos. Robinson picks up in second half

Profits of £229,000 in the second half of 1981 enabled **Thomas Robinson and Son** to make up its first-half loss and finish the year with a pre-tax surplus of £21,000, albeit lower than the previous year's £370,000.

Turnover of this engineer and machine maker moved ahead from £7.98m to *£9.34m*. At the trading level, the company made a loss of £85,000 (£75,000 profits)

After a tax credit of £147,000 *(£104,000 charge) earnings per* 25p share fell by 2.45p to 4.2p. A halved final dividend of 2p leaves the total payment 50 per cent down at 2.5p net. Retained profits were little changed at £68,000 (£66,000).

SPAIN

March 12	Price %	+ or −
Banco Bilbao	348	+4
Banco Central	352	+4
Banco Exterior	302	
Banco Hispano	323	+3
Banco Ind. Cat.	110	
Banco Santander	356	+4
Banco Urquijo	221	
Banco Vizcaya	368	+6
Banco Zaragoza	246	+3
Dragados	156	
Espanola Zinc	61	
Fecsa	59.2	
Gal. Preciados	41.5	−0.5
Hidrola	63.5	+0.3
Iberduero	51.5	+0.3
Petroleos	93	−1
Petroliber	98	+1
Sogefisa	13	−1
Telefonica	72.5	
Union Elect.	63	

THE TRING HALL USM INDEX
116.7 (−0.3)
close of business 12/3/82
BASE DATE 10/11/80 100
Tel.: 01-638 1591

LADBROKE INDEX
Close 562-567 (−4)

EUROPEAN OPTIONS EXCHANGE

Series	May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C $325	12	16 B	77	27 B	—	—	$324.00
GOLD C $350	3	8	50	18	5	25 A	"
GOLD C $375	—	—	37	9	8	17	"
GOLD C $400	—	—	185	6	—	—	"
GOLD C $425	17	0.60	9	2.50	—	—	"
GOLD P $325	78	13.50 A	21	17.70	5	18 B	"
GOLD P $350	5	28 A	12	28	13	34 A	"
GOLD P $375	—	—	17	51	2	50	"
GOLD P $400	—	—	5	74	—	—	"
13¾ NL 81 87-91							
C F.105	10	6.10	10	6.30	—	—	F.111.10
C F.107.50	—	—	60	4	—	—	"
C F.110	—	—	245	2.10	—	—	"
C F.112.50	105	0.60	—	—	—	—	"
12 NL 81 85-88							
C F.105	—	—	3	1.50	—	—	F.104.90
10¾ NL 80 86-95							
C F.92.50	—	—	5	10	—	—	F.102.40
C F.100	4	2.40	10	3.10	—	—	"
C F.102.50	40	1	—	—	—	—	"
11¼ NL 82 88-92							
C F.102.50	200	1.60	21	2	—	—	F.103.30
C F.105	30	0.50	—	—	529	1.20	"
	April		July		Oct.		
AKZO C F.25	48	3.70	40	4.40	—	—	F.28.40
AKZO C F.27.50	7	1.50	—	—	—	—	"
AKZO C F.30	—	—	—	—	47	1.30	"
AMRO C F.50	—	—	22	1.50	—	—	F.48.60
HEIN C F.55	—	—	—	—	5	3	F.53.20
HEIN P F.55	4	2.50	10	3.60	5	5	"
IBM C $65	—	—	—	—	4	2½	$58¼
KLM C F.90	44	11.50	13	16	—	—	F.100
KLM C F.100	114	4.50 B	21	9.40	—	—	"
KLM C F.110	92	2.50	220	5.60	—	—	"
KLM C F.120	228	1.20	—	—	—	—	"
KLM P F.80	50	0.30	—	—	—	—	"
KLM P F.90	17	0.90	15	3.30 B	—	—	"
KLM P F.100	130	4	5	6.90	—	—	"
KLM P F.110	50	11.50	—	—	—	—	"
NEDL C F.110	15	4.70	—	—	—	—	F.111.20
NEDL C F.120	20	1.50	10	3	—	—	"
NEDL P F.110	8	2.60	30	8.50	—	—	"
NEDL P F.120	21	8.70	—	—	—	—	"
NATN P F.105	—	—	45	2.60	—	—	F.107.10
NATN P F.115	—	—	—	—	45	8	"
PHIL C F.20	65	2.20 B	30	2.40	—	—	F.22
PHIL C F.22.50	201	0.50	205	1	81	1.60	"
PHIL C F.25	—	—	6	0.40	115	0.90	"
PHIL P F.20	38	0.30	—	—	—	—	"
PHIL P F.22.50	132	0.90	10	1.60	93	1.90	"
PHIL P F.25	5	3.20	30	3.50 B	—	—	"
RD C F.70	38	9.10	17	10.50	—	—	F.78
RD C F.80	307	2.20	91	4	31	5	"
RD C F.90	204	0.40	158	1.50	—	—	"
RD P F.70	149	0.50	169	1.70	30	2.50	"
RD P F.80	95	3.80	55	7	7	7.50	"
UNIL C F.150	84	5	—	—	—	—	F.152.20
UNIL C F.160	128	0.60	6	1.30	—	—	"
UNIL P F.140	60	0.50	—	—	—	—	"
UNIL P F.150	76	2.60	—	—	—	—	"
UNIL P F.160	79	8	—	—	—	—	"
	May		Aug.		Nov.		
MANN C DM.140	5	8	—	—	—	—	DM144.40

TOTAL VOLUME IN CONTRACTS: 6016

A=Asked B=Bid C=Call P=Put

BASE LENDING RATES

Bank	Rate
A.B.N. Bank	13½%
Allied Irish Bank	13 %
American Express Bk.	13½%
Amro Bank	13 %
Henry Ansbacher	13 %
Arbuthnot Latham ...	13 %
Associates Cap. Corp.	13 %
Banco de Bilbao	13 %
BCCI	13½%
Bank Hapoalim BM ...	13½%
Bank Leumi (UK) plc	13½%
Bank of Cyprus	13 %
Bank Street Sec. Ltd.	15 %
Bank of N.S.W.	13½%
Banque Belge Ltd. ...	13½%
Banque du Rhone et de la Tamise S.A.	13½%
Barclays Bank	13 %
Beneficial Trust Ltd.	14½%
Bremar Holdings Ltd.	14 %
Bristol & West Invest.	15 %
Brit. Bank of Mid. East	13 %
■ Brown Shipley	13 %
Canada Perm't Trust...	14 %
Castle Court Trust Ltd.	13½%
Cavendish G'ty T'st Ltd.	15½%
Cayzer Ltd.	14 %
Cedar Holdings	14 %
■ Charterhouse Japhet...	13½%
Choulartons	14 %
Citibank Savings	¶14 %
Clydesdale Bank	13 %
C. E. Coates	14 %
Consolidated Credits...	13½%
Co-operative Bank	*13 %
Corinthian Secs.	13 %
The Cyprus Popular Bk.	13 %
Duncan Lawrie	13 %
Eagil Trust	13 %
E.T. Trust	13½%
Exeter Trust Ltd.	14½%
First Nat. Fin. Corp....	16½%
First Nat. Secs. Ltd. ...	16½%
Robert Fraser	14 %
Grindlays Bank	‡13 %
■ Guinness Mahon	13 %
■ Hambros Bank	13½%
Heritable & Gen. Trust	13½%
■ Hill Samuel	§13½%
C. Hoare & Co.	†13 %
Hongkong & Shanghai	13 %
Knowsley & Co. Ltd. ...	13½%
Lloyds Bank	13 %
Mallinhall Limited ...	13 %
Edward Manson & Co.	14½%
Midland Bank	13 %
■ Samuel Montagu	13 %
■ Morgan Grenfell	13 %
National Westminster	13 %
Norwich General Trust	13 %
P. S. Refson & Co. ...	13½%
Roxburghe Guarantee	14½%
E. S. Schwab	13 %
Slavenburg's Bank ...	13½%
Standard Chartered ...	‖13 %
Trade Dev. Bank	13 %
Trustee Savings Bank	13 %
TCB Ltd.	13 %
United Bank of Kuwait	13 %
Whiteaway Laidlaw ...	14 %
Williams & Glyn's	13 %
Wintrust Secs. Ltd. ...	13½%
Yorkshire Bank	13 %

■ Members of the Accepting Houses Committee.

* 7-day deposits 10%, 1-month 10.25%. Short term £8,000/12 month 12.6%.

† 7-day deposits on sums of: under £10,000 10¼%, £10,000 up to £50,000 11%, £50,000 and over 11½%.

‡ Call deposits £1,000 and over 10%.

‖ 21-day deposits over £1,000 11½%.

§ Demand deposits 11%.

¶ Mortgage base rate.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1981-82 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
126	100	Ass. Brit. Ind. CULS...	126	+1	10.0	7.9	—	—
75	62	Airsprung	73	—	4.7	6.4	11.6	16.0
51	33	Armitage and Rhodes...	45	—	4.3	9.6	3.8	8.5
205	187	Bardon Hill	199	—	9.7	4.9	9.7	11.8
107	100	CCL 11pc Conv. Pref....	107	—	15.7	14.7	—	—
104	65	Deborah Services	65	—	6.0	9.2	3.2	6.1
131	97	Frank Horsell	128	—	6.4	5.0	11.5	23.7
83	39	Frederick Parker	80	—	6.4	8.0	4.1	7.8
78	46	George Blair..............	52	—	—	—	—	—
102	93	Ind. Precision Castings	94	—	7.3	7.8	6.8	10.2
109	100	Isis Conv. Pref.	109	—	15.7	14.4	—	—
113	94	Jackson Group	98	+1	7.0	7.1	3.1	7.0
130	108	James Burrough	113	—	8.7	7.7	8.2	10.4
334	248	Robert Jenkins	253	+1	31.3	12.4	3.5	8.8
63	51	Scruttons "A"	63	—	5.3	8.4	9.7	9.0
222	159	Torday and Carlisle ...	159	—	10.7	6.7	5.1	9.5
15	10	Twinlock Ord.	13½	—	—	—	—	—
80	66	Twinlock 15pc ULS ...	79	+1	15.0	19.0	—	—
44	25	Unilock Holdings	25	—	3.0	12.0	4.5	7.6
103	73	Walter Alexander	77	—	6.4	8.3	5.1	9.0
263	212	W. S. Yeates	226	—	13.1	5.8	4.3	8.7

Prices now available on Prestel page 48146.

BOOKS

Bright star

BY RACHEL BILLINGTON

Limelight and After: The Education of an Actress
by Claire Bloom. Weidenfeld and Nicolson £8.95. 187 pages

The "Limelight" in her book's title is the name of the film which Claire Bloom made with Charlie Chaplin when she was 20. It was a milestone in her career, because it marked her moment of arrival as an established, admired actress. (By chance, her great stage performance as Juliet at the Old Vic opened within a month of the opening of the film.) It was also a milestone in her life, because the movie's story of the London waif, saved from poverty and unhappiness through her talents on the stage, had strong links with her own life. Claire Bloom describes watching the film for the first time.

"Very soon I knew why I had been so happy during the months I spent on the film: in *Limelight* I had been playing out a girlhood dream inspired by my broken family—the dream of the fairy godfather."

Claire Bloom was born of Jewish parents, the first of either family to be born in England. Although on one side there was some affluence coming from a furniture factory in the East End, and her mother's sister was a successful actress, this was mostly cancelled out by a very unsatisfactory father. Billed as charming, he never made a success of anything, and Claire Bloom's earliest memories are all of moving from one house to another, the comforts becoming progressively less.

War turned the situation into a crisis. Bombed out of their own home and from several others even more dangerous, the family moved, minus husband, of course, to relations in Florida. This proved to be the worst disaster of all, ending with the 10-year-old Claire getting both cheeks slapped, and another move to two rooms in New York. The family returned to England in 1943, in time for the London blitz.

Guilt, insecurity, poverty were the young Claire Bloom's considerable problems. She had, however, two even more considerable assets: an unquestioning belief in her powers as an actress, and a strong, supportive mother, who read her *Romeo and Juliet* when Claire was seven and remained her only close intimate, until she herself was playing Juliet on the stage. As it happened, this maternal devotion was repaid at an early age in a practical sense. By the time she was in her middle teens, Claire Bloom, actress, had left the Central School and had enough employment, with BBC radio among others, to pay the household bills and contribute towards her younger brother's education at Westminster School.

Hardship at home was never echoed in her working career. Disappointments there were, but to an outsider the story is of someone totally dedicated, moving firmly towards the heights of her profession. At this stage, Ms Bloom puts right the common fallacy that all actresses lead wild, promiscuous lives. She points out that her own programme of work and preparation left no time for more than a glass of lemonade after a performance—even if that glass was taken in the company of Mr Richard Burton. Her first serious relationship seems to have been with Sidney Chaplin, who was also in *Limelight*, but that died in her preoccupation with the role of Juliet.

The private side of Claire Bloom's life is barely considered after *Limelight*. In fact, the book continues more as notes on being an actress — "The Audience," "The Life," and "Screen Romance"—than any sort of autobiography. However, her first marriage, to Rod Steiger, is referred to in a succinct passage, "After *Look Back in Anger*, the next pivotal performance was getting married in 1959. One of the great pivotal performances, and for an actress's career, one of the worst. Your career stops. For the next ten years, everything I did was a compromise between looking after my child and working. The work came second."

Her second husband, unnamed, rates a single line which he will not treasure: "My second marriage was to a producer: he was interested mainly in my bringing home money." Philip Roth, with whom she now lives, is not mentioned at all, except to illustrate her American affiliation. Once married to an American, now living with another. After the vivid and personal account of her early life, this gives a somewhat lop-sided feel to the book, making one wonder whether the

Ashley Ashwood

Claire Bloom as Rebecca West in 'Rosmersholm'—her most recent West End role

story shouldn't have truly ended with *Limelight* and *Romeo and Juliet*.

However, it is possibly churlish and certainly pointless to carp. Every word she writes about her profession is fresh and linked to her own experience. Probably her passionate advocacy of the theatre and her explanation of the role of actor says more about her nature than any parade of private life. From the section, "Actors," comes this quotation:

"As for self-exhibition, the point is that it isn't yourself that you're exhibiting. *You* disappear. Far from dominating by the force of your ego, you hold sway; if you do, by egolessness. Your ego has to be present in everyday existence in order to fight through life's obstacles. But on the stage there is no interference from outside. There's only the story, whose outcome you know and whose progression you know, syllable by syllable, from beginning to end; the acting task is to make the story happen again and again, to transform acting into action, language into being."

This is a book for purists. Not a sign of the gush or sentimentality associated with actresses recalling their past.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %	
Abbey National	9.50	9.75	11.00	11.75	6 years. Sixty plus, 10.75 1 year high option, 10.25-11.75 1-5 years open bondshare
Aid to Thrift	10.50	10.75	—	—	
Alliance	9.50	9.75	11.00	11.75	5 y., 11.25 4 y., 11.25 £500 min. 2 m. not. or £100+60 d. int. pen.
Anglia	9.50	9.75	11.00	12.00	6 yrs., 10.75 1 mth. not. int. loss
Bradford and Bingley	9.25	9.75	11.00	10.75	1 month's notice deposit
Bridgwater	9.50	9.75	11.25	11.75	5 yrs., 10.85 2½ yrs.
Bristol Economic	9.75	10.50	11.00	9.75	3 months' notice and 10.75 on balance of £10,000 and over. Escalator shs. 10.25-11.75 (1-5 y)
Britannia	9.50	9.75	11.00	11.25	4 yrs., 11.00 2 months' notice
Burnley	9.50	9.75	11.00	11.75	5 yrs., 10.75 3 months' notice
Cardiff	9.50	10.50	11.50	—	
Cardiff	—	11.00	—	—	Share a/c bal. £10,000 and over
Catholic	9.50	10.00	11.00	11.25	Extra share 3 months' notice
Chelsea	9.50	9.75	11.00	12.00	3 yrs.—90 dys' not. on amt. wdn.
Cheltenham and Gloucester	9.50	9.75	11.00	—	
Cheltenham and Gloucester	—	10.75	—	—	Gold Account. Savings of £1,000 or more (9.75 otherwise)
Citizens Regency	—	10.00	11.25	12.00	5 yrs., 11.05 3 mths.' notice a/c, 11.30 6 mths.' notice a/c
City of London (The)	9.75	10.00	11.25	11.25	Capital City shs. 4 mths.' notice
Coventry Economic	9.50	9.75	11.25	11.50	4 yrs., 11.25 3 yrs., 11.00 3 mths.
Derbyshire	9.50	9.75	11.00	10.25-10.85	3 months' notice
Ealing and Acton	9.50	10.25	—	10.90	2 yrs., £2,000 minimum
Gateway	9.50	9.75	11.00	11.75	5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Gateway	—	10.75	—	—	Plus a/c £500 min. Int. ¼-yearly
Greenwich	—	10.00	11.25	12.00	5 yrs., 11.25 3 months' notice
Guardian	9.50	10.00	—	11.75	6 mth., 11.25 3 mth., £1,000 min.
Halifax	9.50	9.75	11.00	11.75	5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Heart of England	9.50	9.75	11.00	—	3 mths.' notice 10.75, 5 yrs. 11.75
Hearts of Oak and Enfield	9.50	10.00	11.50	11.75	5 yrs., 11.25 6 mth., 11.00 4 mth.
Hendon	10.00	10.50	—	11.50	6 mths., 11.25 3 mths.
Lambeth	9.50	10.00	11.75	12.00	5 yrs., 11.75 6 months' notice
Leamington Spa	9.50	9.85	13.20	11.35	1 year
Leeds and Holbeck	9.50	9.75	11.50	11.75	5 yrs., 10.75 1 mth. int. penalty
Leeds Permanent	9.50	9.75	11.00	11.75	3 yrs., E.I. a/c £500 min. 10.75
Leicester	9.50	9.75	11.00	11.75	5 yrs., 11.25 4 yrs., 10.75 3 mths.
Liverpool	9.50	9.75	11.05	11.75	5 yrs., 10.80 1 mth. int. penalty
London Grosvenor	9.50	10.25	12.00	10.75	3 months' notice
Mornington	10.50	11.00	—	—	
National Counties	9.75	10.05	11.05	10.75	35 days' notice min. dep. £500, 6 mths., 11.15 min. dep. £500
Nationwide	9.50	9.75	11.00	11.75	5 yrs., £500 min. 90 days' notice. Bonus a/c 10.50 £2,500 min., 10.75 £10,000 + 28 days' notice
Newcastle	9.50	9.75	11.00	11.75	4 yrs., 10.75 2 mths.' notice or on demand 28 days' int. penalty
New Cross	10.50	10.75	—	10.75-11.50	on share accs., depending on min. balance over 6 months
Northern Rock	9.50	9.75	11.00	11.75	5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Norwich	9.50	9.75	11.25	10.75	3 yrs., 10.50 2 yrs.
Paddington	9.25	10.25	11.75	11.25	Loss 1 month int. on sums wdn.
Peckham Mutual	9.50	10.50	—	11.00	3 y, 11.50 3 y, 12.0 4 y, 10.75 Bns.
Portsmouth	9.85	10.05	11.35	12.10	(5 yrs.) to 11.50 (6 mths.)
Property Owners	9.75	10.25	11.75	11.75	4 yrs., 11.75 6 mth., 11.05 3 mth.
Provincial	9.50	9.75	11.00	12.00	4 yrs., 11.25 3 yrs., 10.75 1 mth.
Skipton	9.50	9.75	11.00	10.85-11.00	28 days' interest penalty
Sussex County	9.75	10.00	12.25	11.00	instant withdrawal option
Sussex Mutual	9.75	10.25	11.50	10.50-11.75	all with special options
Town and Country	9.50	9.75	11.00	12.00	5 yr., 11.75 3 yr. 60 dy. wdl. not., 11 2 mth. not./28 days' int. pen.
Wessex	9.75	10.75	—	—	
Woolwich	9.50	9.75	11.00	11.75	3 yrs. £500 min. 90 days' not. on amt. wdn., 10.75 £500 3 mth. not.
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	9.50	9.75	11.00	11.35	5 yrs., 11.25 4 yrs., 10.75 3 yrs., 10.25 2 yrs., 11.05 Golden key 28 days' penalty interest

* Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

Fiction

Survival congress storm

BY MARTIN SEYMOUR-SMITH

The Country of Her Dreams
by Janice Elliott. Hodder and Stoughton. £6.95. 186 pages

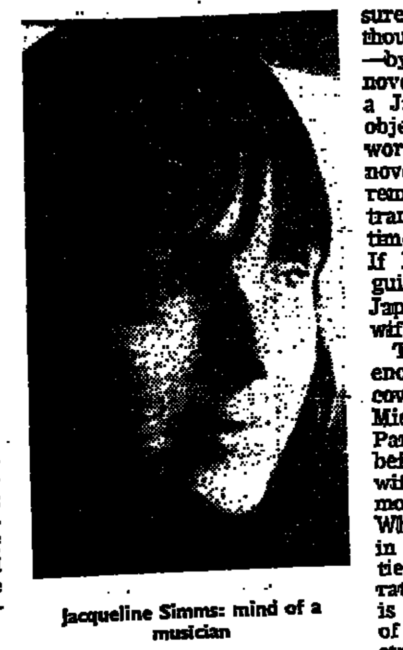
Unsolicited Gift
by Jacqueline Simms. Chatto and Windus. £6.95. 151 pages

Flashpoint
by Madelaine Duke. Michael Joseph. £7.95. 287 pages

Janice Elliott's new novel is set at a Congress of European Arts held at an eastern Adriatic resort. The task of the Congress is to select works worthy of preservation in a nuclear bomb-proof shelter. This is a good idea for a novel of really vigorous satirical comedy. In this one unrobust satire mixes uneasily with a purported study of individual behaviour: a good deal of promising material, some of it very professionally arranged, evaporates in whimsy.

Ms Elliott pokes too gentle and old-fashioned fun at the various members of her cultural mission; and when the Modern Novel sub-committee is "hijacked" in the English tea room it is not funny in the way she intends it to be funny. Nor does the study of Mary Lamb, an entirely serious one, work at all happily in this context. As towards the end everything becomes more and more dramatic so it all becomes more sentimental and generalised. Finally the tragic inferences drawn seem preposterous.

Yet there are many individual elements here that are admirable. The idea of the ridiculous Congress itself. The beginning of the study of Mary Lamb and her suspiciously happy marriage. The presentation of several other personalities. The



Jacqueline Simms: mind of a musician

fault is simply that these various parts cannot work together in this setting.

Unsolicited Gift, Jacqueline Simms's first novel, is on a different level altogether, and is much better. It is difficult, but rewarding; the writing itself distinguished.

As a child Michael both made love to and killed his sister Fleur. All this is told at the beginning of the book with a lucidity so perfect that is dismaying to read. Within 50 pages we realise that we are in the presence of a remarkable and original writer.

Michael's life, as nuclear physicist and as professional musician, is devoted to compensating for the loss of Fleur, who haunts him. Ms Simms must surely have been influenced—though entirely to her advantage—by the modern Japanese novel. Michael's wife is in fact a Japanese; and the curiously objective and yet deeply felt working out of the theme of the novel is done in a manner that reminds one of Tanizaki, whose translated works were at one time very popular in the West. If Michael does work out his guilt, then he does it in a Japanese way: with his Japanese wife and their child, a pianist.

This is a short novel, yet an enormous amount of ground is covered, quite apart from Michael's perpetual crisis. Parts are written by Fleur before her death, by Michael's wife and by his daughter Sumi; most of it is written by him. While the author is impeccable in her observation of the realities of the situation, her narrative—at times astonishingly—is redolent of an inner reality of suffering which in some strange way illuminates. It is here that Ms Simms has learned from rather than copied the Japanese; I have never known this done so well before except perhaps by Francis King.

This is the most astute and sensitive first novel that I have read for a very long time, and I hope its qualities are widely realised.

Flashpoint is the highly professional product of a robust popular talent—that of Madelaine Duke, also author, under the name Alex Duncan, of a "vet" series of novels.

It is about some slightly improbably brilliant men who feel they have it in their hands to end the nuclear era. This theme is skilfully developed into an exciting thriller, which will satisfy the demands of a large number of readers.

The stairway at Melchett Court, an illustration from the book reviewed below

Mond mixture

BY GEORGE MALCOLM THOMSON

The Mond Legacy: A Family Saga
by Jean Goodman. Weidenfeld and Nicolson. £11.50. 272 pages

As the song goes (tune: *Marche Militaire*)

Way over there, in a
Small town in Germany
There lived a widow's son
Meyer Mond was his name...

Mond was his name because the sign above the door was a Mond—German for Moon. In the same way, in Frankfurt, a red shield, hanging outside their premises, gave its name to another family, the Rothschilds. The small town was Ziegenhain in the Grand Duchy of Hesse, from which Meyer walked to Kassel. But it is with Meyer's son, Ludwig, that the family saga really takes off.

When the German Army called him up but would not give him a commission (he was a redoubtable duellist but he was a Jew), his mother, very sensibly, bought a substitute for him, and decided that England, which had just made Benjamin Disraeli Chancellor of the Exchequer, was the country for her boy. "If you want to learn, make friends with the foreman," she said, wisely.

Frida Lowenthal, the girl Meyer married, did not find England so attractive. "The English have a saying, 'My house is my castle.' They ought to add 'and I am locked up in it!'" But in due course England offered compensations.

In fact, Ludwig, a sturdy, good-looking boy, already knew a great deal more about (for example) the manufacture of soda ash, than any foreman in Britain or Germany. He settled near Manchester; worked hard; fifty English patents were the ultimate result; and, as the years rolled on, made a great fortune. From Mond's extraordinary achievement in science and industry stemmed what was to become Britain's greatest enterprise, ICI. Becoming rich, he built up, with expert advice, a magnificent art collection and, when he died, left fifty-six Old Masters to the National Gallery. They were at that time the most important group of paintings left to the nation by one individual. He did more than that. He founded a distinguished British family. There have been since 1928, four Lords Melchett, his descendants.

His son, Alfred, first Lord Melchett—he would not on achieving his peerage, become Lord Mond ("that is my father's name; he made it great")—excelled in finance; he multiplied, several times over, the fortune left by Ludwig. He became a personage in British politics, a minister in the Liberal government. He had examined all the parties, he told his father, and found that there were fewer clever men in the Liberals. So he had joined them. Later on, when things had altered, he slipped over to the Conservatives, whose need seemed then to be greater.

During the first World War, Alfred was taunted as a German-Jewish traitor who kept pigeons in his garden to carry messages to the enemy! He became the target of a particularly vicious anti-Semitic campaign by Cecil Chesterton. Even T. S. Eliot pilloried him in a poem. The effect of this was as might have been expected. He became more aware of his Jewish background.

Ludwig Mond had been an agnostic, although one who, on his death-bed, called for the rabbi. Alfred, first Lord Melchett, was not a Jew in the strict, ritual sense; he was intensely British in loyalty, raising his sons to be English gentlemen. Now he became aware of a British brand of anti-Semitism. More: he met Chaim Weizman, and became convinced that Zionism held the best hope of saving the dignity of the Jewish people. He bought an estate in Palestine; he contributed generously to Zionist charities.

There is no stranger chapter to the Mond story than that which traces the fluctuations of sentiment in this English family during this present century: atheist, Hebrew, agnostic, intensely British in loyalty, awakened Jewish sympathy. Sometimes brothers took different ways: Henry Mond's son, Derek, inherited the Zionist sympathies; his brother Julian was very English; hunting and farming were his life. After the advent of Hitler, and the Holocaust, after the Israeli-Arab conflict into which Britain was inevitably drawn, life was not easy for a proud family whose feelings, though not their loyalties, were divided.

Jean Goodman, working with material spread rather unevenly over the generations, composes an agreeable chronicle of a family who, by their achievements and gifts, are probably worthy of a more substantial treatment. But here are the mansions, the mistresses, the glamorous entertainments, the inventions and, through it all, the worrying conscience finding its outlet in philanthropy.

The personal life of each individual is dealt with; that of Henry, second Lord Melchett, being particularly unconventional. For Henry married the lady who was the mistress of Gilbert Cannan, the author who had run off with J. M. Barrie's wife, married, and deserted her. Henry, the lady, and Cannan lived in a *ménage à trois*. The arrangement does not seem to have been entirely satisfactory to Cannan, who became more openly anti-Semitic as time passed, and finally went mad. For 30 years Lord and Lady Melchett contributed to his upkeep in a private nursing home.

Although the Monds were moody, sometimes wayward, with flashes of brilliance, none of them so far has exhibited the genius which, breaking out in Ludwig, launched the family on the way to wealth and fame.

Ruskin now

BY PETER KEATING

The Wider Sea: A Life of John Ruskin
by John Dixon Hunt. J. M. Dent, £15.95. 512 pages

When Ruskin died in 1900 his reputation seemed as secure as that of any of the great Victorians. Today he ranks with the most neglected. Social and cultural historians still read him, but to be valued only by specialists would have been a kind of death to Ruskin, and that, sadly, has been his fate. There can now be few readers like Leonard Bast in E. M. Forster's *Howards End* who believed that by persevering with the works of Ruskin he would eventually "push his head out of the grey waters and see the universe."

Ruskin's declining relevance rests mainly on the ways in which the twentieth century has moved away from the nineteenth. Once he was praised as an intellectual founding-father of the Labour Party, but present-day working-class historians look to quite other sources; the books of his that used to be given to young girls to guide them through life are now mocked by the women's movement; the detailed realism of his drawings and art criticism say little to an age of non-figurative painting and film. And, while interest in his moral teaching has steadily decreased, every tiny detail of his private life has been searched out, revealed, and publicised. He is best known as an odd, rather than a great, Victorian.

In *The Wider Sea* John Dixon Hunt promises to meet "the necessary obligations of any biographical narrative" while offering a "reassessment of Ruskin's mind and imagination." He goes some way to achieving this balance. Emphasis is placed on Ruskin's determination to attain a unified view of life, to bring within his comprehension the inter-relatedness of the many subjects he studied. The central unifying strand runs from his early fascination with geology, through the first volume of *Modern Painters* (1843) which began as a defence of Turner's landscape painting, to architecture, Venice, and the social and political criticism of *Unto this Last* (1860).

There were numerous intellectual off-shoots, subjects which Ruskin felt driven to understand — theology, mythology, mineralogy, even, for a while, cookery. Not all of these could be brought into a coherent system, and anyway Ruskin professed to hate system-makers, but his sharpest perceptions came precisely from his ability to make connections across disciplines. The moment in "The Nature of Gothic" when he demonstrates that the quality of art produced by a society is inseparable from the moral and political nature of that society, survives, in spite of changing fashions, as one of the most moving imaginative insights in the whole of Victorian non-fictional prose.

Professor Hunt is concerned, however, not merely to chart Ruskin's development but to explain it as well: as he says, Ruskin's search for unity and wholeness had "roots deep into his own life and its history." Although this side of the biography is handled with sympathetic understanding and tact, the story is generally familiar. Here once again we have, inescapably, Ruskin's loving, interfering, snobbish parents; his early love for Adèle Domecq which was to colour relationships with all other women; his unconsummated marriage to Effie Gray and the uncertainty whether Ruskin himself deliberately pushed her into Millais's arms; his obsession with young girls; and the horrifying episode of Ruskin's love for Rose La Touche who, like Ruskin, was repressed and tormented by parental religiosity.

By concentrating so much on Ruskin's personal life—albeit with the justifiable intention of explaining the mind it served to mould—Professor Hunt has relatively little space left to examine in comparable detail the crowded later years, especially the considerable influence that Ruskin's social theories had on late Victorian England. But nonetheless *The Wider Sea* is the most comprehensive biography of Ruskin published in recent years, and to expect more of its author would be unrealistic. After all, the very idea of a totally unified, complete biography of a man like Ruskin is probably an absurdity.

Woman pioneer

BY REX WINSBURY

Ellen Wilkinson
by Betty D. Vernon. Croom Helm. £14.95. 254 pages

One thing I have in common with Ellen Wilkinson, sometime MP for Jarrow, Jarrow marcher and Attlee's first post-war Minister of Education, and that is (as I discover from reading Betty Vernon's sympathetic biography of her) a portrait of Lenin hanging over the bed because, in Ellen's words not mine, "I look at it and get cracking." Lenin was after all, whatever you think of his achievements, a man who for years languished in Swiss obscurity, but when the Main Chance came, he took it. Did Ellen Wilkinson take her main chance?

Education remains to this day the most divisive element in British society, and it is the contention of Ellen Wilkinson's critics—and I am bound to agree with them—that she had a once-and-for-all opportunity in the immediate post-war loosening of the social structure to put through a more radical reform of the education system that would have removed the more divisive aspects there and then: but muffed it.

She was on the other hand a diminutive person of under five feet in height, already severely ill, and disappointed in her emotional life — her relationships with John Jagger MP and Herbert Morrison are treated with particular precision and delicacy by Betty Vernon. She had herculean tasks enough in implementing the 1944 Education Act and raising the school leaving age.

She was the wrong choice for the job, whatever her formidable political talents and track-record, and overwork must have hastened her early death in 1947 at the age of 54. Today, she is something of a forgotten figure, yet as the Times Educational Supplement said at the time: "Ellen Wilkinson illustrated not unfairly in her political career, which was her life, the broad evolution of Labour views and attitudes over the past quarter century."

Thus a biography is welcome. It is perhaps on the short side—and expensive?—and more of a collection of well-researched essays on successive and overlapping phases of Ellen Wilkinson's career. Perhaps therefore a book for the politically initiated, but at a time when there are only 20 women MPs, less than there were half a century ago, Red Ellen's career should attract wider attention.

Too many chiefs . . .

BY JAMES FRENCH

Maps and Dreams
by Hugh Brody. Jill Norman and Hobhouse, £7.95. 297 pages

The recent Westminster lobby by Canadian Indian leaders anxious to protect their rights made handsome pictures in the media. What with Prime Minister Pierre Trudeau's difficult manoeuvres to "patriate" Canada's constitution, publication of *Maps and Dreams* is timely.

Anthropologist Hugh Brody lived with the Indians of north-east British Columbia 18 months to research their hunting way of life. He soon got rid of the large pick-up truck he took with him to the wilds, because, immensely useful to himself and his hosts though it was, it was diverting him from his purpose of finding what makes the Indian tick.

Brody is a gentle persuader. He does not bully—with argument but he rather overburdens with the facts to show that White Man's crimes against the Indian continue apace. Not, perhaps, the gruesome extermination of tribes in Brazil that one reads about, but the infinite erosion of the lands and the living of the descendants of the original inhabitants of the Americas.

The simple fact is that "Civilisation" cannot slash through the north west of Canada to carve an Alaska Highway and a mighty natural gas pipeline, plus major hydro-electric power schemes (for export to the U.S.) without encroaching on Indian lands—or even flooding them. It has cheated on treaty after treaty.

There is not a lot the Canadian Indians can do about this century-long process except suffer. Mankind's hunters are themselves the hunted — and the haunted.

Brody's book earns its title from the long-term compilation of maps of their lands by Indian ancients and the importance in their society of "dreams" — long contemplation of hunting and fishing prospects, of migration for men and by beasts, based on tradition and history, personal experience, analysis of probabilities on study of the signs; in all a profound, indeed scientific, form of sensory perception and projection.

It is like an Indian hunting expedition. There are long scholarly patches, just as a lot of the hunt is a long trek to get to the right place. But the highlights are breathtaking, brilliantly described. My favourite was the story of the Northern Pipeline Agency hearing at Fort St John into its construction plans.

White Man, he try to be fair, but no succeed. Indian squaws make mighty feast of moose and beaver meat, stews, steaks, and bannocks. White men eat plenty damn quickly. No enjoy properly. In big hurry to get back to the big city. Very sad.

Not that white Canadians do not fancy those meats. In the season they drive up the Highway in thousands to trespass on the Indian lands, shooting to fill up their freezers. Sometimes they maim but fail to kill; sometimes they kill, just to kill—things no Indian would do.

It seems that the average British Columbian Indian, and this includes children, eats more than one pound of good meat a day. It works out at £1,500 a year plus of good meat per household. They are fit—despite the occasional spree on White Man's fire water for some—and well-clothed.

There is a lot to be said for the benefits of this primitive society—but how much longer will White Man allow it to last? After all, oil and gas and electricity are so much more important—and think how much coal and minerals might lie below those millions of acres. Big Brother Knows Best.

WORLD STOCK MARKETS

Early 10.47 fall on Wall St

LOWER LEVELS developed on Wall Street yesterday, when the market succumbed to the pressures of rising interest rates and a poor outlook for Corporate earnings.

By 1 pm the Dow Jones Industrial Average was down 10.47 to 795.09, making a net loss of 12.27 on the week, while the NYSE All Common Index, at $62.31, shed 67 cents on the day and $1.83 on the week. Declines led advances by an eight-to-three majority in a volume of 36.41m (37.81m) shares.

Analysts said investors were particularly nervous yesterday because the M-1 measure of the Money Supply, due after the close, was expected to rise $2bn to $3bn. A rise in M-1 could put further upward pressure on interest rates, they said.

Several times this year the market has fallen sharply on the Monday following the release of unfavourable money figures. Investors were selling off in anticipation of a smaller pattern developing next week.

Also dragging the market down was the continuing rout in Technology stocks, which started sliding Thursday following Honeywell's announced that a decline in computer deliveries would hurt its first quarter earnings.

Honeywell dropped $5¾ Thursday and was off another $1⅞ yesterday to $63½.

Other Technology stocks with losses included volume leader IBM, off $½ to $57⅞, Texas Instruments $2⅜ to $74, Digital Equipment $⅞ to $71⅜ and Burroughs $⅜ to $32¾.

Active stocks on the down side included Gulf Oil, $½ to $29⅞, Bankamerica $1⅛ to $16⅞, Holiday Inns $1⅛ to $24⅞, Inco $¼ to $11⅜ and Exxon $¼ to $29.

Carolina Clinchfield advanced $;2 to $83, adding to a $20 gain recorded Thursday—CSX plans to acquire Clinchfiel dfor $100 a share in Preferred stock.

General Cinema lost $1¾ to $40¼—it bought back 1,060,800 of its shares at $40 each, which analysts saw as an attempt to block a possible takeover by Heublein.

...The American SE Market Value Index gave way 3.65 to 244.53, making a net loss of 6.16 on the week. Trading volume rose 61,000 shares to 3.44m, compared with 1pm Thursday.

Closing Prices for North America were not available for this edition.

Canada

Stock prices were off sharply at midsession following concern on the New York Market over the direction of interest rates.

The Toronto Composite Index shed 19 points to 1,549.7.

All 14 of the major indices were lower, with Oil and Gas down 74.0 to 2391.7, Golds 43.1 to 212.0 and Metals and Minerals 12.0 to 1446.6.

Some Energy analysts say the world oil glut could force the Canadian Government to reduce some of its controversial Energy Taxes.

Canadian Pacific declined $1¼ to $29—a Railway Union spokesman said contract talks have been broken off and we are asking for Federal mediation.

Tokyo

Prices tumbled broadly in sluggish trading—279m (260m) shares — on a combination of negative Domestic and Foreign news. The Nikkei Dow Jones Index dropped 154.73 to 7,102.61, its largest single-day fall this year and the lowest since October 19.

Stocks were sold off sharply in the afternoon, following news that Japan's real Gross National Product (GNP) fell 0.9 per cent in the October-December quarter from the prior quarter, the first such decline since 1975.

The negative GNP news confirmed suspicions that Japan's economy is seriously in the doldrums, without any hopes for a pickup in the near future.

Market sentiment had been dampened from the outset, however, by the yen's weakness on currency markets and news that a few smaller U.S. banks had raised their prime rates on Thursday, thus apparently dashing hopes for lower U.S. interest rates in the near future.

Virtually all sectors declined, with selected Blue Chips among notable losers.

Blue-Chip Electricals, Motors, Steels, Shipbuilders and Pharmaceuticals fell broadly. Constructions, Foods, and Chemicals also dropped.

Sumitomo Metal Mining fell 90, the limit allowed in a one-day session, bring its two-day loss to 170. The market thought the stock was overbought, and had started a technical reaction.

Banyu dipped 14 to Y581—it announced a cross purchase of shares with Merck and Co of the U.S.

Ricoh declined 15 to Y580—it will close three overseas affiliates in a cost-saving measure.

Hong Kong

After fluctuating downward initially, stock prices closed higher again as it appeared that some major local investors had returned to the market. The Hang Seng Index rose 17.12 to 1196.90 on a moderately active turnover.

Brokers said continuing strengthn in the Hong Kong dollar helped the market, fueling hopes that interest rates here may ease soon. However, most analysts said a drop in the local Prime rate, currently at 16 per cent still appears to be several weeks off.

Australia

Markets fiot off to an encouraging start and, although the best prices weren't held to the bell, the key market indicator was still up comfortably at the close.

The upturn was mostly based on a handful of London-favoured Resource leaders, but some Industrials like Cadbury Schweppes and Adelaide Steam joined in. Cadbury surprised the market with its profit, higher dividend and share split—and Adelaide Steam performed better than expected.

Resource stocks had been sold short by London traders, and buy-back operations were the order of the day.

Golds went well, and stocks like EZI and North BH put aside some technical worries and firmed.

There was a sparkling of gains *in Oil and Gas stocks.*

Banks improved on a belief that Australian interest rates, set Wednesday with a Treasury bill tender, were at peak levels.

Germany

Prompted by pre-weekend position cutbacks by professional investors, share prices closed generally lower in quiet trading.

Electricals were broadly lower again after the West German Electrical Industry Association predicted Wednesday that income for the industry would continue to decline this year after profit margins were squeezed in 1981.

Motors were also lower for the second consecutive day.

Broadly lower Banks featured a DM 2.80 fall for Deutsche Bank.

Chemicals were narrowly mixed, Steels were off, Utilities narrowly mixed and Department Stores broadly down. Machine Makers were also mixed.

Paris

French and Foreign stock prices were marked down across a broad front in moderately active trading despite news that Corporate failures in France had fallen sharply in February. Declines outnumbered advances by a ratio of two-to-one in the French section and by five-to-one among Foreign stocks.

Switzerland

Share prices edged generally higher in moderate volume.

Swissair Bearer rose SwFr 11 to 676 and the Registered stock SwFr 9 to 660 attributed to lower fuel prices and forthcoming results for 1981 expected in the middle of next week.

Major Banks steadied, Dutch Internationals mainly easier and Germans a shade lower.

CANADA

Stock	Mar. 11	Mar. 10
AMCA Int l	19½	19⅝
Abitibi	20¾	20¾
Agnico Eagle	5¾	5⅝
Alcan Alumin	22½	23½
Algoma Steel	33½	34
Asbestos	12½	12½
Bk. Montreal	21¼	21¼

BELGIUM (continued)

Mar. 12	Price Frs.	+ or −
Petrofina	4,360	+20
Royale Belge	5,050	−150
Soc. Gen. Banq	2,455	−65
Soc. Gen. Belge	1,420	−10
Sofina	3,300	
Solvay	1,980	−30
Tracton Elect	2,430	−70
UCB	1,755	−45

HOLLAND

Mar. 12	Price Fls.	+ or −
ACF Holding	75.5	−0.6
Ahold	75.5	+3.4
AKZO	28.4	−0.2
ABN	277	−1
AMEV	81.4	
AMRO	48.5	−0.1
Bredero Cert	192	−2
Boss Kalis	65.2	−1

AUSTRALIA

Mar. 12	Price Aust. $	+ or −
ANZ Group	3.70	+0.08
Acrow Aust	1.69	
Ampol Pet	1.25	+0.01
Assoc. Pulp Pap	1.50	
Audimco	0.06	
Aust. Cons. Ind	1.51	
Aust Guarant	2.10	−0.02
Aust. Nat. Inds	2.42	−0.03

JAPAN (continued)

Mar. 12	Price Yen	+ or −
Kubota	333	
Kumgaai	425	−20
Kyoto Ceramic	3,300	−50
Lion	375	−6
Maeda Cons	600	−29
Makita	725	−10
Marubeni	300	−1
Marudai	570	−15
Marui	812	−25

INTERNATIONAL COMPANIES and FINANCE

Reversal to loss reported at Fagersta

By Our Nordic Editor in Stockholm

FAGERSTA, the Swedish special steels company, incurred a pre-tax *loss of SKr 102m ($17.8m)* in 1981, a turnround of SwKr 209m from the earnings recorded in 1980. Sales fell by more than 7 per cent to slightly less than SKr 2bn ($346m).

The board proposes to cut the dividend by SKr 2 to SKr 4 a *share, making a total payout* of SKr 6m against SKr 8.9m.

The directors expect the company to turn in a substantially better result this year, with turnover climbing again by about 15 per cent to SKr 2.3bn.

This forecast assumes that rationalisation, including the closing of nearly all the company's carbon steel production, *will favourably affect income* and financial charges. The order intake for both steel and rock drilling products is expected to increase in both volume and price this year.

The 1981 pre-tax loss does not include SKr 22m in income from Fagersta's 35 per cent holding in the SECO sales company.

After extraordinary income of SKr 41m and taking in appropriations of SKr 100m, including SKr 74m from the inventory reserve, Fagersta arrived at a net profit of SKr 9m for 1981 compared with SKr 31m in the *previous* year.

Weak demand and strongly depressed prices on all its steel products caused last year's heavy loss. The profit performance of the Secoroc rock-drilling products was described as "positive."

Bahco falls deep into red

By Our Nordic Editor

BAHCO, the Swedish tools and ventilation equipment company, suffered a slump last year from 1980 pre-tax earnings of SKr 32m ($5.5m) to a loss of SKr 28m.

In the year Bahco acquired the Record Ridgway tools company in the UK and Hiab-Foco, the Swedish manufacturer of hydraulic vehicle loaders. Inclusion of these companies in the accounts from respectively March 1 and April 1 helped to boost turnover of SKr 1bn to SKr 2.2bn.

The board proposes to halve the dividend from SKr 11 to SKr 5.50 a share.

Intel chairman sees signs of recovery in semiconductors

BY LOUISE KEHOE

INTEL, the world's largest producer of MOS (metal oxide semiconductor) integrated circuit chips—the devices used to build computers—believes that the depression which has cut into profits of U.S. chip *makers over the past 18 months* may at last be drawing to an end.

At the company's annual meeting in Phoenix, Arizona, Dr Gordon Moore, the chairman, said Intel was seeing some signs of market recovery. "I believe that there are some signs that the memory component situation is stabilising," said Dr Moore, *referring to the* dramatic erosion in memory part prices, which has brought *down prices for some types of* memory chips by 90 per cent over the past year.

"We believe that by the second quarter (calendar) we will see some advance in revenues. I am optimistic." Intel is now preparing for growth and is hiring production workers for its component operations for the first time in more than a year. Qualifying his predictions of a turnround *in the U.S. semiconductor* business Dr Moore said that it was difficult to back up his feeling with numbers. "There has been no significant increase in bookings."

"Looking at our internal six months forecast, which reflects the position of the company as a whole, we have seen some improvement for three *consecutive months,*" Dr Moore said.

He added however that there *was some concern that the im*provement could be temporary. "But we believe that this is the beginning of a change in direction for the U.S. semiconductor business."

Consolidated Press lifts interim income by 40%

BY GRAEME JOHNSON IN SYDNEY

CONSOLIDATED PRESS Holdings, *the Australian media* group controlled by Mr Kerry Packer, has reported a 40.4 per cent increase in interim net profits to A$14.98m (U.S.$16.3m).

Turnover in the six months to December rose by 20.8 per cent to A$212m while earnings per share, adjusted for a one-for-one scrip issue, rose to 34.3 *cents from 24.3 cents.* The interim dividend will be announced in June.

The main source of profits continued to be its 79.6 per cent owned subsidiary Publishing and Broadcasting Ltd, which operates commercial television stations in Sydney and Melbourne.

PBL's turnover rose 16.3 per cent from a year earlier to A$184.1m while its profits rose by 51 per cent to A$16.24m. These profits included a larger contribution from Australian Consolidated Press, the group's publishing arm.

CPH's tax bill for the period climbed sharply from A$13.04m to A$17.6m and interest payments rose from A$6.66m to A$12.48m.

Tooth boosts Adsteam

BY OUR SYDNEY CORRESPONDENT

ADELAIDE STEAMSHIP, the diversified Australian industrial company, has boosted its interim income after contribution from Tooth and Company, the Sydney brewer it won control of last June.

Net income for the six months ended December was A$10.03m (U.S.$10.9m) against A$7.46m a year earlier. Sales rose marginally to A$77.38m from A$75.07m.

The company declared a one-for-five scrip issue and an interim dividend of 9 cents a share against 8 cents.

Adsteam has a direct stake *of 39 per cent in Tooth.* It uses equity accounting for this stake while holdings by its affiliates ensure control of Tooth.

Sharp fall in profit at Swedish Match

By William Dullforce Nordic Editor, in Stockholm

SWEDISH MATCH suffered a plunge in pre-tax earnings from SKr 225m in 1980 to SKr 76m ($13.2m) last year. Group operating profit slipped *from SKr 310m to SKr 292m* as a result of the decline in building activity in Western Europe, but the main depressing factor on earnings was SKr 75m growth in net financial charges and SKr 33m in exchange losses.

Consolidated sales advanced by 8 per cent to slightly exceed SKr 7bn ($1.3bn), with 72 per cent of sales from markets outside Sweden. The board proposes to pay an unchanged dividend of SKr 7 a share.

The *building* slump and growing overcapacity in the building materials industry *resulted in Swedish Match* last year deciding to dispose of its building component *operations except for its door,* kitchen and some profitable particle board companies.

At the beginning of March it announced the sale of its particle board and furniture factories in West Germany. These recorded an operating *loss of SKr 34m last year.*

Mr Gunnar Dahlsten, the managing director, said yesterday that this transaction almost completed the structural changes started in 1977. Plants employing capital of about SKr 1.2bn in loss-making sectors had been sold.

As a result Swedish Match is forecasting "a considerable improvement" *in* pre-tax profit this year, although it expects the economies on its main markets to continue to decline.

There were net extraordinary losses of SKr 67m last year against extraordinary income of SKr 12m in 1980. This is attributed to the cost of the structural changes but also a SKr 61m provision for the costs of restructuring *programmes not yet implemented.*

The match and lighter division raised its sales by 20 per cent to SKr 1.64bn and its operating income by 17 per cent last year. It contributed SKr 143m of the group operating profit of SKr 292m.

France drops plans for full takeover of ITT unit

BY TERRY DODSWORTH IN PARIS

THE FRENCH Government has abandoned its plans for a full-scale nationalisation of CGCT, International Telephone and Telegraph's subsidiary in France, in favour of a compromise solution, giving it a majority stake in the company.

The proposed deal, which the Government is aiming to sign before the end of the year, is similar to the approach adopted at Roussel-Uclaf and Cii Honeywell Bull, the two other foreign-owned companies, which the Socialist Government wanted to nationalise.

At Roussel-Uclaf, an agreement has already been reached with Hoechst, its West German owner, for a slight reduction in *its 58 per cent stake,* while Honeywell of the U.S. has *announced its intention of cut*ting its 47 per cent shareholding in Cii to less than 20 per cent.

ITT refused to comment on its talks with the French Government yesterday but it has made it clear in the past that it would like to retain a presence in the French market. The company has historically been a big exporter from France, but it argued that this business depends fundamentally on its ability to sell to the French post office and thereby provide a base work load to its factories.

The Government's announcement of its intentions over CGCT, well before the negotiations are complete, underlines its anxiety to quell union pres*sure for faster action.*

At the same time, the statement is a further illustration of its desire to avoid embarrassing head-on clashes with the international business community on the nationalisation issue. As both the Roussel-Uclaf and Cii cases have shown, the Government is willing to compromise on its election commitments on this issue.

This cost question remains to be resolved at CGCT, which originally asked for a compensation payment of $375m for nationalisation.

In addition, the two sides have to settle a number of technological problems, including the possibility of using the ITT System 12 digital switching system in France.

Drop in new orders at Hochtief

BY KEVIN DONE IN FRANKFURT

HOCHTIEF, West Germany's second largest construction group, suffered a drop of 12 per cent in the value of new orders booked last year to DM 4.76bn, chiefly as a result of the recession in the domestic building market.

However it makes clear in a letter to shareholders that its *profits held up strongly,* helped by the lucrative orders booked in the boom years of the late *1970s. Net profits were up four*fold to DM 124m last year.

New orders won in the Federal Republic dropped by nearly 25 per cent to DM 2.13bn, which could not be balanced by the 7 per cent rise in new foreign orders to DM 2.63bn.

The total value of the Hochtief order book also fell last year by 15.3 per cent to DM 4.38bn by the end of December from DM 5.17bn a year earlier.

The group is now dependent for 56 per cent of its business *on foreign markets, with the* major orders continuing to come from a small number of oil exporting countries.

Hochtief said its building volume also fell by 9 per cent last year to DM 5.54bn, with a drop of 4 per cent in domestic activity to DM 2.69bn and a decline of 13 per cent in foreign building turnover to DM 2.85bn.

The group has been pressing ahead with its strategy of pushing into foreign markets through acquisitions and in the past year has taken over the Dutch dredging *company,* Broekhoven and has acquired a 50 per cent share in the Aus*tralian building company,* Thiess Consortium.

The group's profitability in coming years will be hit by the shrinking margins Hochtief is currently having to accept in order to win new orders in fiercely competitive domestic and foreign markets.

Holmens Bruk advances

HOLMENS BRUK, Europe's largest newsprint manufacturer, posted a pre-tax profit of SKr 128m ($22.2m) for 1981, a gain of SKr 2m on 1980. After eight months earnings were lagging by SKr 5m, writes our Nordic Editor.

The directors recommend an SKr 2 increase in the dividend to SKr 12 and have proposed a one-for-three *rights issue* at SKr 125 a share, raising the share capital by SKr 85m, and a one-for-six scrip issue. Shares from both will rank for dividends for 1982, a year which the board forecasts should provide a 10 per cent advance in turnover and a larger operat*ing profit, which rose in 1981* by SKr 19m to SKr 224m.

Sales last year climbed by 16 per cent to SKr 2.54bn ($442m), of which 72 per cent came from exports.

Net financial expenses climbed from SKr 78m to SKr 95m and there was a net extraordinary loss of SKr 41m compared with income of SKr 61m.

*As a result profit after extra*ordinary items slumped from SKr 187m to SKr 88m. By taking SKr 12m from the profit reserve and cutting extra depreciation allocations from SKr 77m to SKr 12m Holmens showed a net profit increase of SKr 10m to SKr 35m.

Earnings gain for Fortia

By Our Nordic Correspondent

FORTIA, the Swedish pharma*ceuticals* and *biotechnology* group, reports a 70 per cent lift in pre-tax earnings to SKr 131m ($22.8m). Its turnover climbed by 18 per cent to SKr 1.47bn and the dividend is going up by SKr 0.91 to SKr 1.10 a share.

Last year Fortia became the first Swedish company to issue shares in the U.S. This year the company sees sales rising by between 15 per cent and 20 per cent with pre-tax profits showing even larger gains.

'Potential buyer' for Cast assets

By Robert Gibbens in Montreal

MR FRANK NARBY, chairman of the Cast shipping group, says he has potentially "a concrete buyer" for 50 per cent of the Cast North Atlantic container business and "several serious contenders" are interested in buying three of Cast's new combination vessels.

He would not identify any of the parties after a day of negotiations. He said the U.S.$100m mentioned by Cast last month as the asking price for 50 per cent of its container business, was a "ballpark figure." It may not now be necessary for Cast to sell all three combination vessels.

Mr Narby said much would depend on negotiations continuing in Montreal next week. All three shareholders of Eurocanadian Shipholdings of Switzerland, the master company in the Cast group, "are working harmoniously towards the objective of selling 50 per cent of the container business."

Mr Narby is the principal shareholder in Eurocanadian, with Canadian National Railways and Helix Investments of Toronto minority holders. The talks are being held with Canadian National Cast's bankers—led by the Royal Bank of Canada—and with potential *buyers of Cast assets.* Mr Narby said he does not expect final resolution of the asset sale until next week.

He confirmed that only one of eight bulk vessels acquired from the Anglo-Nordic group about two years ago for $165m had been sold, but a profit of $4m was shown on the deal. One more of these ships was for *sale. He said the net cost of* the seven ships to Cast was $141m and "without this, Cast would have hardly any debt at all."

He denied that his decision last month to abandon Cast's cut-rate freight container policy had led to a serious loss of business. But bulk shipping rates are still at rock bottom.

COMMODITIES/REVIEW OF THE WEEK

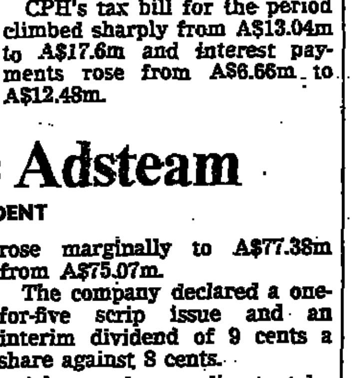
Tin market rallies on support buying

BY OUR COMMODITIES STAFF

TIN PRICES rallied sharply on the London Metal Exchange yesterday following further heavy buying, believed to be on behalf of the buffer stock of the International Tin Council. Cash tin gained £230 to close at £7,130 a tonne, £120 up on the week. The three months standard grade tin price was £287.5 higher at £7,235, but only £2.5 up on the week. However, three months high-grade tin was £47.5 higher on the week at £7,280 following a sudden surge of buying on Thursday.

Encouraging the upward trend yesterday was the news that a special meeting of the International Tin Council has been called for Friday, March 19, when the introduction of export controls will be top of the agenda.

Consumer countries rejected the idea of export controls at the Tin Council meeting this week, which authorised the calling up of a further £108m contributions to the buffer stock from member countries. It also empowered the buffer stock to negotiate stand-by credit facilities. However, the further heavy buying by the buffer stock this week, in the face of sustained selling, will strengthen the demands of producing countries, led by Malaysia and Bolivia, to bring in export controls as a further means of defending the "floor" price.



Other metals were depressed by the sharp decline in gold this week, but rallied strongly to close marginally higher. A notable feature was cash zinc moving to a premium over the three months quotation, and continued trade buying of lead.

Cocoa prices moved in a narrow range as the market awaited next week's meeting of the International Cocoa Council in London. The Council is to consider offers of loans to finance continued support buying by the buffer stock manager, who has used up his original fund. The offers, from a Brazilian banking group and a Saudi Arabian Institution are for $75m or $120m with the higher figure depending on the cocoa import levy being raised again from 2 cents to 3 cents a lb.

A cut in the International Cocoa Agreement floor price from 110 cents to 106 cents a lb is likely to be imposed at the meeting

Continued speculative buying, based on the current shortage of supplies available for immediate delivery, lifted coffee futures prices to the highest level for 21 months early in the week. But values then eased back and the May quotation, which rose above £1.365 a tonne at one stage, ended £14 up on the week at £1,337.50 a tonne.

Sugar had a quiet week with the August position on the London futures market finishing £5.925 down at £158.275 a tonne. There has been speculation that the Russians, who have already bought about 3m tonnes on the world market since last October, may resume buying in the next few weeks.

The International Rubber Organisation agreed at a meeting in Kuala Lumpur last weekend to call up another $124m of buffer stock funds from member countries. This will take the total to $310m. On the London physical market this week the RSS No. 1 spot position recovered another 1½p to 49½p a kilo.

The London gas oil futures market again broke its turnover record this week when 5,091 lots of 100 tonnes were traded on Thursday. The April position ended the week $9.75 higher at $247.50 a tonne.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981/82 High	1981/82 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£760/70
Free Markets c.i.f.	$1035/1065	—10	$1460/490	$1590/1550	$1015/045
Antimony Free Market 99.6%	$2200/2300	—	$2970/030	$3200/3280	$2125/225
Copper-Cash High Grade	£840.50	+0.75	£818	£1,023.5	£755
3 months Do. Do.	£867.75	—	£839.25	£1,052.75	£777.5
Cash Cathodes	£838.5	+1.5	£811	£1,025	£748.5
3 months Do.	£864.25	+0.25	£827.5	£1,046	£765.5
Gold per oz	$323.75	—19.5	$492.5	$601	$323.75
Lead Cash §	£350.75	+1.25	£324.5	£502	£273.75
3 months §	£355.75	—1.5	£330.75	£499.5	£285.25
Nickel	£3824	—	£3,368.55	£4,219.60	£2,915
Free Market c.i.f. lb	265/295c	+10	275/290c	290/310c	225/275c
Platinum per oz	£250	—	£213.50	£260	£202
Free Market per oz	£174.50	—4.4	£216.30	£250.90	£172.80
Quicksilver (76lbs)	$390/400	+1	$405/415	$428/438	$350/360
Silver per oz	390.55p	—19.15	548.10p	671.20p	385.05p
3 months per oz	402.55p	—19.95	564.10p	695.70p	398.00p
Tin cash	£7,130	+120	£6,135	£8,985	£5,700
3 months	£7,235	+2.5	£6,227.5	£8,667.5	£5,865.5
Tungsten Ind	$130.00	—	$146.47	$149.08	$125.54
Wolfram (22.04 lb)	$114/119	—5	$151/155	$151/155	$114/119
Zinc cash	£455.5	+12.5	£342.25	£555.5	£306.5
3 months	£454.75	+4.5	£352.75	£565.5	£318.25
Producers	$900	—	$825	$1000	$823
GRAINS					
Barley Futures	£110.70	+0.05	£99.55	£111.80	£94.40
Maize French	£131.50	—	‡	£134.50	£119.75
WHEAT Futures	£116.00	+0.40	‡	£121.10	£99.10
Hard Winter Wheat	‡	—	£104.75	£124	£102.0
SPICES					
Cloves (g)	£5,660y	+260	£4,300	£6,000	£3,800
Pepper, white	$1,950y	—50	$1,985	$2,150	$1,850
" black	$1,450y	—25	$1,460	$1,650	$1,225
OILS					
Coconut (Philippines)	$475y	—10	$580	$640	$475
Groundnut 5%	$525y	—27.5	‡	‡	‡
Linseed, Crude	‡	—	£413	£460	$400
Palm Malayan	£502.5u	—	$595	$645	$475
SEEDS					
Copra (Philippines)	$325y	—5	$390	$430	$325
Soyabeans (U.S.)	$256u	—	$310	$340	$246
OTHER COMMODITIES					
Cocoa Shipment§	£1,181	—10	£1,054	£1,416	£850
Cocoa Futures May	£1,155.5	—	£958.5	£1,315	£789
Coffee Futures May	£1,337.5	+14	£1021.5	£1 365.5	£733.5
Cotton Index	70.40c	+0.45	91.45c	101.15c	67.30c
Des Coconut	£500	—	£650	£690	£500
Gas Oil Fut. Apr.	$247.5	+9.75	$219	$329	$235.25
Jute U ABW C grade	£263y	—	‡	£267	£219
Rubber kilo	49.5p	+1.5	57.5p	65.25	43p
Sago Pearl	£220y	—5	£210	£252	£197
Sisal No. 3	$640/650y	—	$780	$780	$640
Sugar (Raw)	£151y	—4	£241	£315	£148
Tapioca No. 1	£215y	—5	£215	£235	£207
Tea (quality) kilo	120p	—4	118p	140p	117p
(plain) kilo	‡	—	63p	67p	59p
Wooltops. 64s Warp	388p kilo	—2	320p kilo	400p kilo	294p kilo

‡ Unquoted. (g) Madagascar. (u) April. (w) May. (v) May-June. (y) Mar-April. * Nominal. § Ghana cocoa.

MARKET REPORTS

BASE METALS

TIN PRICES continued to surge ahead in hectic trading on the London Metal Exchange following renewed heavy buying demand thought to have been on behalf of the Buffer Stock. Three months high grade metal moved up to £7,300, cash high grade to £7,180 and three months standard metal to £7,210. Copper, initially weakened by the fall in gold, ...

COPPER

TIN

LEAD

ALUMINIUM

NICKEL

ZINC

SILVER

GAS OIL FUTURES

GRAINS

COCOA

COFFEE

RUBBER

WOOL FUTURES

SYDNEY GREASY WOOL

AMERICAN MARKETS

NEW YORK, March 12. HEATING OIL prices were boosted on technical grounds and in response to gasoline price increases. Sugar was depressed by commission house selling and producer contracting of current production, especially Brazil. Cotton prices were sharply lower on a bearish supply-demand report. Cocoa prices declined on long liquidation ahead of the ICCO meeting. Coffee ...

Thursday's closing prices

INDICES

FINANCIAL TIMES

Mar. 11	Mar. 10	Month ago	Year ago
243.01	243.13	249.33	257.16

(Base: July 1, 1952=100)

MOODY'S

Mar. 11	Mar. 10	Month ago	Year ago
984.9	985.2	1013.1	1119.2

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 11	Mar. 10	Month ago	Year ago
Spot	125.36	125.78	129.12	—
Futr's	128.51	128.91	130.32	—

(Average 1924-25-26=100)

REUTERS

Mar. 12	Mar. 11	M'nth ago	Year ago
1585.7	1590.7	1625.0	1719.5

(Base: September 18, 1931=100)

SOYABEAN MEAL

SUGAR

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid.

‡ Bargains at special prices. Δ Bargains done with a non-member or executed in overseas market. ⊕ Bargains done previous day. $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

Hickson Welch (Hldgs) (50p) 240 3
Higgs Hill 148 9
Highams 54½
Highgate Job Grp (50p) 50
Highgate Optical Indstl (10p) 37 (9/3)
Highland Electronics Grp (20p) 24 (10/3)
Hill Smith 49 50 (10/3)
Hill (Charles) Bristol (£1) 117 20 (10/3)
Hillards (10p) 158
Hinton (Amos) Sons (10p) 313 5½ 7
Holden (Arthur) Sons 1820
Hollas Grp 70 ½ 7 (10/3)
Hollis Bros ESA 17¼ 8
Holt Lloyd Intnl (10p) 48 9½
Home Charm (10p) 75‡ 6 7
Home Farm Prods (10p) 65 (8/3)
Honda Motor (Y50) 154
Hoover 105. A 95¼ 7 102
Hopkinsons Hldgs (50p) 107 8 9
Horizon Travel 360 5 6½ 8 9‡ 90 2‡ 2 5‡ 6 8‡
House of Fraser 164 5 6 7 8 ½ 9 70
House of Leroie 94 5

North (M. F.) (10p) 33
North Midland Constr. (10p) 58 (9/3)
Northern Engineering Indus. 80½ 1½ 2 ½ 3‡ ½
Northern Foods 162 ½ ¾ 3 ½ 4 5 6
Northern Goldsmiths 50 7
Norton and Wright Grp. (10p) 38 ½‡
Norton (W. E.) (Hldgs.) (5p) 4½. 11pcPf. (£1) 85
Nottingham Brick (50p) 124 (8/3)
Nottingham Manufacturing Co. 167 8 9 70. 6½pcLn. 154½
Nova (Jersey) Knit (20p) 88½ 9 (9/3)
Novo Industri A/S B 102¼ 3‡
Nurdin and Peacock (10p) 152 ½
Nu-Swift Industries (5p) 32½ 4‡ 4 5 ½ 6½ 7 ½

Oakwood Group 123
Ocean Wilsons (Hldgs) (20p) 41¼ 3 4
Oceana Consolidated 39 (5/3)
Office and Electronic Machines 310
Old Swan Hotel (Harrogate) (10p) 70
Oliver (George) (Footwear) 127. A Non-V 127 30 (10/3)

BANKS, DISCOUNT (762)

BREWERIES (481)

COMMERCIAL (9,987)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS (358)

INSURANCE (490)

INVESTMENT TRUSTS (521)

UNIT TRUSTS (13)

MINES—Miscellaneous (656)

MINES—South African (574)

OIL (1,060)

PROPERTY (543)

PLANTATIONS (118)

RAILWAYS (7)

SHIPPING (81)

UTILITIES (33)

UNLISTED SECURITIES MARKET (293)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

(By permission of the Stock Exchange Council)

MONEY MARKETS

London clearing bank base lending rate 13 per cent (since March 12)

Day to day credit was again in short supply in the London money market yesterday. The Bank of England gave an early forecast of a shortage of £450m, with bills maturing in official hands and a net take up of Treasury bills accounting for £207m and a rise in the note circulation a further £225m. Against these, Exchequer transactions added £25m to the system.

The shortage was revised at noon to around £400m and the Bank gave assistance in the morning of £310m, comprising purchases of £10m of eligible bank bills in band 1 (up to 14 days) at 13⅛ per cent and £74m in band 2 (15-33 days) at 13 per cent. In band 3 (34-63 days) it bought £14m of Treasury bills at 12⅞ per cent and £92m of eligible bank bills at 12⅞ per cent. In band 4 (64-91 days) the Bank bought £33m of Treasury bills, £23m of local authority bills and £64m of eligible bank bills all at 12¾ per cent.

The forecast was further revised in the afternoon to a shortage of £500m and the Bank gave additional help of £173m, making a grand total of £483m. The afternoon help comprised purchases of £19m of eligible bank bills in band 1 at 13⅛ per cent, £46m in band 2 at 13 per cent, £57m in band 3 at 12⅞ per cent and £40m in band 4 at 12¾ per cent.

EXCHANGES AND BULLION

Sterling was weaker in currency markets yesterday. Trading was featureless ahead of the weekend and sterling tended to drift easier without any real signs of pressure. It opened at $1.8010-1.8020 and touched a best level of $1.8040 in the morning before losing ground as dollar demand picked up. It touched a low of $1.7960 and closed at $1.7990-1.8000, a fall of 1.15c from Thursday and its lowest closing level since September 1981. Its trade weighted index fell to 90.1 from 90.4, having stood at 90.2 at noon and in the morning. Against the D-mark sterling fell to DM 4.28 from DM 4.2925 and SwFr 3.3825 from SwFr 3.3875. It was also down against the French franc, closing at FFr 10.9750 from FFr 10.9550.

The dollar rose against most currencies as Euro-dollar rates hardened ahead of the release of U.S. money supply figures. It rose to DM 2.3770 against the D-mark up from Thursday's close of DM 2.3685 and SwFr 1.8790 from SwFr 1.8690. It was also firmer against the Japanese yen, breaking through the Y240 level at one point before closing at Y239.90 up from Y239.25. On Bank of England figures, the dollar's index rose from 113.3 to 113.7. The Belgian franc continued to weaken amid rumours of a further devaluation.

Gold fell $6¼ an ounce in the bullion market to close at $323¼-$324¼.

THE POUND SPOT AND FORWARD

March 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7960-1.8040	1.7990-1.8000	0.17-0.27c dis	−1.47	0.70-0.80dis	−1.67
Canada	2.1840-2.1930	2.1850-2.1860	0.40-0.50c dis	−2.47	1.30-1.40dis	−2.47
Nethlnd.	4.67-4.70	4.68-4.69	2-1½c pm	4.48	5-4½ pm	4.05
Belgium	78.90-79.50	78.95-79.05	2-12c dis	−1.06	23-33 dis	−1.42
Denmark	14.31-14.38	14.34½-14.35½	1⅞-2⅞ore dis	−1.93	5½-8¼ dis	−1.90
Ireland	1.2100-1.2160	1.2130-1.2140	0.62-0.73p dis	−6.67	1.78-1.97dis	−6.20
W. Ger.	4.26½-4.29½	4.27½-4.28½	1½-1¼pf pm	4.20	4¼-3⅞ pm	3.85
Portugal	125.20-126.00	125.35-125.65	65-190c dis	−12.19	190-395 dis	−9.32
Spain	187.60-188.60	187.80-188.00	25-55c dis	−2.55	115-145 dis	−2.77
Italy	2308-2320	2312-2314	15-18 lire dis	−8.56	45-49 dis	−8.13
Norway	10.75-10.83	10.78½-10.79½	par-1ore dis	−0.56	3⅞-4⅞ dis	−1.62
France	10.95-11.00	10.97-10.98	1¼-2¼c dis	−1.91	7¼-8¼	−3.01
Sweden	10.45-10.49	10.46½-10.47½	¾ore pm-par	0.43	1¾-1 pm	0.52
Japan	430-434	431-432	2.60-2.30y pm	6.81	7.05-6.75 pm	6.40
Austria	29.95-30.10	30.00-30.05	15-12gro pm	5.39	34-27 pm	4.06
Switz.	3.36-3.39½	3.37¼-3.38¼	2½-1⅞c pm	7.54	5⅞-5⅛ pm	6.65

Belgian rate is for convertible francs. Financial franc 87.90-88.00. Six-month forward dollar 1.57-1.67c dis, 12-month 2.70-2.90c dis.

GOLD

	Mar. 12		Mar. 11	
Gold Bullion (fine ounce)				
Close	$323¼-324¼	(£179½-180)	$330-331	(£182¼-182¾)
Opening	$325-326	(£180¼-180¾)	$333½-334½	(£184¼-184¾)
Morning fixing	$322.50	(£178.869)	$334	(£184.551)
Afternoon fixing	$323.25	(£179.613)	$331.75	(£183.065)
Gold Coins				
Krugerrand	$332¾-333½	(£185-185¼)	$341½-342¼	(£189-189½)
1/2 Krugerrand	$171-172	(£95-95½)	$175½-176½	(£97-97½)
1/4 Krugerrand	$87-88	(£48¼-49)	$89½-90½	(£49½-50)
1/10 Krugerrand	$35½-36½	(£19¾-20¼)	$36½-37½	(£20¼-20¾)
Mapleleaf	$333½-334½	(£185¼-185¾)	$342¼-343¼	(£189½-190)
New Sovereigns	$79-79½	(£44-44¼)	$81-81½	(£44¾-45)
King Sovereigns	$95-96	(£52¾-53¼)	$96½-97½	(£53¼-53¾)
Victoria Sovs.	$95-96	(£52¾-53¼)	$96½-97½	(£53¼-53¾)
French 20s	$78-88	(£43¼-49)	$80-90	(£44¼-49¾)
50 pesos Mexico	$397-400	(£220½-222¼)	$407½-410¼	(225½-227)
100 Cor. Austria	$313-315	(£174-175)	$321¼-323¼	(£177¾-179¼)
$20 Eagles	$465-470	(£258½-261¼)	$474-479	(£262¼-265)

EXCHANGE CROSS RATES

Mar. 12	Pound St'rling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.800	4.280	431.5	10.975	3.383	4.685	2313.	2.186	79.00
U.S. Dollar	0.556	1.	2.378	239.8	6.099	1.880	2.604	1285.	1.215	43.90
Deutschemark	0.234	0.420	1.	100.8	2.564	0.790	1.095	540.4	0.511	18.46
Japanese Yen 1,000	2.317	4.170	9.919	1000.	25.43	7.839	10.86	5360.	5.065	183.1
French Franc 10	0.911	1.640	3.900	393.2	10.	3.082	4.269	2108.	1.991	71.98
Swiss Franc	0.296	0.532	1.265	127.6	3.245	1.	1.385	683.8	0.646	23.36
Dutch Guilder	0.213	0.384	0.914	92.10	2.343	0.722	1.	493.7	0.466	16.86
Italian Lira 1,000	0.432	0.778	1.850	186.6	4.745	1.462	2.026	1000.	0.945	34.15
Canadian Dollar	0.458	0.823	1.958	197.4	5.022	1.548	2.144	1058.	1.	36.15
Belgian Franc 100	1.266	2.278	5.418	546.2	13.89	4.282	5.930	2928.	2.766	100.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Mar. 12	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	13⅛-13¼	14¾-15	14¾-15¾	9⅜-9½	2-2½	9⅜-9½	14-14½	19-21	12½-13½	6⅛-6⅜
7 days' notice	13⅝-13⅞	14¾-15	14¾-15¾	9⅛-9¼	2¾-3¼	9 7/16-9 9/16	14-14½	20½-22	13-15	6 5/16-6 7/16
Month	13 9/16-13 11/16	14⅞-15⅛	15⅜-15⅝	9⅛-9¼	6-6⅛	9½-9⅝	14⅜-14⅞	22-23	14¼-15¼	6 5/16-6 7/16
Three months	13 9/16-13 11/16	14⅞-15⅛	15½-15¾	9⅛-9¼	6 5/16-6 7/16	9⅜-9½	15⅜-15⅞	21⅝-22	14¼-15¼	6½-6⅝
Six months	13¼-13⅜	14⅞-15⅛	15¾-16	9⅛-9¼	6 15/16-7 1/16	9⅜-9½	16¼-16¾	21⅝-22	14¼-15¼	6 9/16-6 11/16
One Year	13¼-13⅜	14¾-15	16⅞-16⅛	9⅛-9¼	7 1/16-7 3/16	9⅜-9½	16¾-17¼	22-22⅞	14¼-15¼	6⅝-6¾

BFr (financial): short-term 12-13 per cent; seven days' notice 13¼-13½ per cent; one month 13½-13¾ per cent; three months 13⅝-13⅞ per cent; six months 13¾-14 per cent; one year 13¾-14 per cent.

SDR linked deposits: one month 12 7/16-12 11/16 per cent; three months 12 13/16-13 1/16 per cent; six months 12⅞-13⅛ per cent; one year 12 13/16-13 1/16 per cent.

ECU linked deposits: one month 12 7/16-12 11/16 per cent; three months 12⅝-13 per cent; six months 12¾-13⅛ per cent; one year 12 13/16-13 3/16 per cent.

Asian $ (closing rates in Singapore): one month 14⅞-15 per cent; three months 14 15/16-15 1/16 per cent; six months 14 15/16-15 1/16 per cent; one year 14 15/16-15 1/16 per cent. Long-term Eurodollar two years 15-15¼ per cent; three years 15⅛-15⅜ per cent; four years 15⅜-15⅝ per cent; five years 15½-15¾ per cent nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen: others two days' notice.

The following rates were quoted for London dollar certificates of deposit: one month 14.60-14.70 per cent; three months 14.70-14.80 per cent; six months 14.70-14.80 per cent; one year 14.70-14.80 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 12)

3 months U.S. dollars		6 months U.S. dollars	
bid 14 15/16	offer 15 1/16	bid 14 15/16	offer 15 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Mar. 12 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	13-14	13⅞-14¼	—	—	13½-13¾	12-13	—	—	—
2 days notice	—	—	13⅝-13¾	—	—	13⅞	—	—	—	—
7 days or	—	—	—	—	—	13⅞	—	—	—	—
7 days notice	—	13⅝-14	13¾	—	—	—	13	—	—	—
One month	13⅝-13½	13 9/16-13 11/16	13⅝	14¼-14	13 9/16	13¾	12⅞-13	13 1/16	13 1/16	13⅞
Two months	13½-13 7/16	13⅝-13 9/16	—	14-13¾	13½	13⅝	12⅝-12¾	12 15/16	12 15/16	13 9/16
Three months	13⅜-13¼	13 7/16-13 5/16	13⅜	13⅞-13⅝	13⅜	—	12⅜-12½	12½-12 17/32	12 13/16-12⅞	13¼
Six months	13¼-12 15/16	13 3/16-13 1/16	13¼	12¾-12½	13 1/16	—	—	—	12 11/16-12⅝	12⅞
Nine months	13¼-12 15/16	13¼-13⅛	—	13½-13⅞	13 1/16	—	—	—	—	—
One year	13¼-12 15/16	13¼-13⅜	13⅛	13⅜-13⅛	13 1/16	—	—	—	—	—
Two years	—	—	13⅜	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 13⅝ per cent; four years 13¾ per cent; five years 13⅞ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12 9/16-12⅝ per cent; four months trade bills 13½ per cent.

Approximate selling rates for one month Treasury bills 12 29/32-12 31/32 per cent; two months 12 25/32 per cent; three months 12 15/32-12 7/16 per cent. Approximate selling rate for one month bank bills 13 per cent; two months 12⅞ per cent and three months 12½ per cent; one month trade bills 13⅝ per cent; two months 12 15/16 per cent; three months 13 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 15 per cent from March 1 1982. Clearing Bank Deposit Rates for sums at seven days' notice 10-10¼ per cent. Clearing Bank Base Rates for lending 13 per cent. Treasury Bills: Average tender rates of discount 12.4650 per cent.

Certificates of Tax Deposits (Series 5) 13½ per cent from March 8. Deposits withdrawn for cash 11 per cent.

CURRENCY MOVEMENTS

Mar. 12	Bank of England Index	Morgan Guaranty Changes%
Sterling	90.1	−33.3
U.S. dollar	113.7	+6.3
Canadian dollar	88.6	−17.6
Austrian schilling	116.5	+24.7
Belgian franc	96.4	−0.5
Danish kroner	84.1	−13.0
Deutsche mark	122.4	+44.9
Swiss franc	155.0	+107.8
Guilder	115.1	+22.0
French franc	79.6	−14.4
Lira	54.8	−57.8
Yen	136.7	+31.0

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 12	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.6963	44.6889	−0.02	−0.01	±1.5440
Danish Krone	8.18382	8.10047	−1.02	−1.01	±1.6428
German D-Mark	2.41815	2.41445	−0.15	−0.14	±1.1097
French Franc	6.19564	6.19633	+0.01	+0.02	±1.3743
Dutch Guilder	2.67296	2.64498	−1.05	−1.04	±1.5069
Irish Punt	0.686799	0.684785	−0.29	−0.28	±1.6689
Italian Lira	1305.13	1304.21	−0.07	−0.07	±4.1242

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for March 12 ..... 0.564190

OTHER CURRENCIES

Mar. 12	£	$		£ Note Rates
Argentina Peso	18,665-18,685†	10,350-10,400†	Austria	29.95-30.25
Australia Dollar	1.6955-1.6975	0.9430-0.9435	Belgium	87½-88¼
Brazil Cruzeiro	257.23-258.23	142.88-143.49	Denmark	14.32-14.46
Finland Markka	8.193-8.205	4.5560-4.5580	France	10.92-11.02
Greek Drachma	108.587-112.911	61.50-61.70	Germany	4.26½-4.31½
Hong Kong Dollar	10.379-10.394	5.7702-5.7770	Italy	2280-2335
Iran Rial	147.50*	81.00*	Japan	431-436
Kuwait Dinar (KD)	0.510-0.516	0.2846-0.2848	Netherlands	4.67½-4.71½
Luxembourg Fr.	78.95-79.05	43.90-43.92	Norway	10.78-10.88
Malaysia Dollar	4.1895-4.1960	2.3300-2.3320	Portugal	122½-128
New Zealand Dlr.	2.3080-2.3120	1.2835-1.2845	Spain	183¼-193
Saudi Arab. Riyal	6.13-6.19	3.4185-3.4215	Sweden	10.45-10.55
Singapore Dollar	3.8180-3.8245	2.1235-2.1255	Switzerland	3.36-3.40
Sth. African Rand	1.8380-1.8400	1.0215-1.0225	United States	1.79-1.81
U.A.E. Dirham	6.58-6.64	3.6715-3.6735	Yugoslavia	91½-98

† Now one rate. * Selling rate.

U.K. CONVERTIBLE STOCK 13/3/82

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates⇔	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−)◊ Current
British Land 12pc Cv 2002	9.60	313.50	333.3	80-97	3.9	0.9	0.1	−6 to 4	31.4	88.7	18.3	+18.3
Hanson Tr 6½pc Cv 88-93	3.02	179.50	114.3	76-83	3.7		−1.2	−54 to −1	8.3	6.3	−1.1	+0.1
Hanson Tr 9½ Cv 01-06	150.59	120.50	71.4	85-01	8.1	7.7	6.1	2 to 10	84.4	73.0	−10.0	−16.1
Slough Ests 10pc Cv 87-90	5.31	248.50	187.5	78-85	4.1		−5.3	−8 to −2	27.2	25.3	−0.7	+4.6
Slough Ests 8pc Cv 91-94	24.68	120.00	78.0	80-91	6.8	5.4	9.9	3 to 11	28.8	44.9	14.7	+4.8

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⇔ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

LONDON STOCK EXCHANGE

Gilts turn reactionary but index-linked stocks good again—Equity leaders hold steady in quiet trading

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Mar 1	Mar 11	Mar 12	Mar 22
Mar 15	Mar 25	Mar 26	Apr 5
Mar 29	Apr 15	Apr 16	Apr 26

* "New time" dealings may take place from 9.30 am two business days earlier.

Restrained by end-Account influences, London stock markets ended the week on an uninspiring note. Overall trading conditions were rather quiet and both leading shares and Gilt-edged securities turned reactionary.

Against the trend in Gilts, index-linked stocks again featured further demand being reflected in fresh gains ranging to 3 points. Treasury 2 per cent 2006 rose that amount to 101, after touching 101½ earlier in the day. Since the budget announcement of the removal of restrictions on purchase of these stocks quotations have moved up by over 12 points.

Conventional stocks, which have also shown some impressive gains since the budget, turned easier yesterday. Profit-taking in the mediums and longs left quotations with falls extending to ⅝ and occasionally more and the Government securities index recorded a fall of 0.41 at 68.30.

Thursday's half-point reduction in base lending rates failed to motivate leading shares further and, after a steady to firm start, quotations drifted off on profit-taking and lack of fresh demand. The underlying tone held relatively steady and a little selective support at the lower levels left the leaders only slightly easier on the day.

Measuring the narrow movements, the Fiancial Times Industrial ordinary share index, down 2.9 at its lowest of the day at noon, rallied to close a point off on balance at 566.9. Over the Account, the index recorded a rise of 19.6.

Elsewhere, in equities, company trading statements provided the occasional feature. The building sector again attracted buying interest, sentiment being boosted further by confirmation of the expected 1½ point reduction in Building Society mortgage rates to 13½ per cent.

Banks steadier

A nervous market since the Budget following the Chancellor's threat to review the banking sector's contribution to Government revenue, the major clearing banks steadied yesterday. The volume of business was small but Barclays managed a rally of 5 to 485p but still sustained a fall of 20 on the week. Midland, which conclude the dividend season next Friday, edged forward a penny to 333p.

Against the quietly dull trend in Insurance. Refuge advanced 8 to 260p on further consideration of the higher annual profits and 18 per cent dividend increase. Composites drifted lower on lack of support. Sun Alliance relinquished 4 to 880p, Eagle Star 3 to 380p and General Accident a couple of pence to 326p.

Breweries finished the Account on a subdued note. Grand Metropolitan touched 212p before settling for a net gain of 2 at 210p, while other leaders held close to the overnight positions. Among regionals, revived speculative support lifted Davenports 4 to 156p, but Wolverhampton and Dudley, which recently revealed an 8 per cent stake in the former, gave up a similar amount to 204p. Among Wines and Spirits, Arthur Bell, 178p, and Amalgamated Distilled Products, 70p, added 2 apiece, while H. P. Bulmer continued to respond to steady buying and advanced 10 more to 357p.

Firm conditions prevailed in the Building sector in the wake of the Chancellor's £170m. Budget boost. Tarmac added 6 for a gain on the week of 26 to 474p, while Redland gained 5 to 182p and RMC 4 to 248p. London Brick improved 2½ to 60p; the preliminary results are due early next month. Housebuilders held steady, the 1½ per cent cut in mortgage rates discounted. Barratt Developments, interim results due on Monday, stayed at 280p and retained a gain on the week of 18. Taylor Woodrow firmed 10 to 555p and *Newarthill 20 to 545p*, the latter in a thin market. Bett Brothers put on 4 to 60p on talk of a put-through, but Conder International, down 5 on Thursday on nervous selling in front of the annual results, shed 3 more to 62p following the announcement.

Turnover in ICI was small and the close was 4 cheaper at 334p. Fisons softened 3 to 292p. Among other Chemicals, Plysu attracted fresh speculative interest and put on 4 to 124p.

D-I-Y's up again

An uninspired day's trading left leading Stores with modest losses, although Gussies A moved against the trend and closed 4 up for a gain on the week of 22 at 507p. Support was again forthcoming for selected D-I-Y issues. Home Charm were further buoyed by reports of a broker's bullish circular and rose 3 more to 159p, while A. G. Stanley gained a like amount to 67p. Greenfields Leisure eased the turn to 24p, but retained a gain on the week of 5 following the *company's confident view on current* trading. Goodman Bros., an excitable market last month on strong takeover speculation, reacted 2 to 14½p following the lapse into losses at the mid-term stage.

In Shoes, David Scott added a fraction to 24½p for a gain on the week of 7 and around 3 above the price paid by an unnamed party for a near-11 per cent stake in last Monday's dawn raid.

A good market of late on buying ahead of the results, Standard Telephones and Cables advanced further to close 31 up, and 66 higher on the week, at 521p in response to the better-than-expected annual profits and the chairman's accompanying confident remarks about prospects. Elsewhere in Electricals, Plessey attracted investment support and firmed 7 to 377p but other leaders drifted lower on end-Account influences. Thorn EMI lost 8 to 427p while GEC, 815p, and Racal, 355p, gave up 5 apiece. BICC cheapened a few pence to 320p; the preliminary figures are due on March 24. MK move up 12 to a peak of 307p following late buying, while ESI London gain 15 to 190p, on demand in a thin market. Humberside, at 21p, recorded a Press-inspired improvement of 3, while George Scholes put on 12 to 290p and United Scientific added 13 to 630p. Preliminary profits from Kode International failed to match best expectations and the shares retreated on profit-taking to close 22 lower at 253p.

GKN stood out in Engineerings, rising 7 to 170p following buying in a market none-too-well supplied with stock ahead of next Thursday's preliminary results. Vickers, annual figures scheduled for March 24, hardened a penny to 168p. Elsewhere, a Press suggestion that Stone-Platt is looking for additional financial backing on top of the £10m new capital pumped in last year sparked off nervous offerings which saw the shares drop to 11 before closing a net 3 cheaper at 13p. Adverse comment also unsettled Johnson Firth Brown, which eased a penny to 17p, while Yarrow softened 5 to 280p ahead of Monday's interim results. Ransomes Sims and Jefferies gained 7 to 200p, Edbro 5 to 104p and Pegler-Hattersley 4 to 206p. R. Cartwright edged forward 2 to 56p; the results are due at the end of the month.

Huntley and Palmer touched 114p before closing a net 8 up at 112p on the announcement that the company was in exploratory discussions with Nabisco Brands which might lead to an offer. Current bidders for H and P, Rowntree Mackintosh, closed 2 dearer at 168p, after 172p, while Cadbury Schweppes, talked of as a likely bidder for H and P, shed 4 to 97p, after 96p. The Food sector's other high-flyer, Albert Fisher, added 2 for a gain on the week of 11½ to 48p on bid speculation.

Sotheby's friendless

Reflecting small selling and lack of support, Sotheby's fell 22 for a loss on the week of 38 to a low of 295p. Elsewhere in miscellaneous industrials, De La Rue came on offer and fell 25 to 685p, while Martin Black gave up 2 to 33p on the uninspiring results. Esperanza added 5 to 138p in response to Press comment and Wolseley-Hughes improved a similar amount to 368p ahead of Tuesday's interim figures. Stocklake gained 5 for a two-day rise of 23 to 133p on the interim statement. Reflecting the bid situation, Associated Communications Corporation A hardened a couple of pence more for a rise on the week of 13 to 107p. Of the leaders, Pilkington put on 3 to 281p, after 284p, in response to Press comment. Bowater relinquished 5 to 243p and Glaxo softened 2 to 506p. Turner and Newall, with preliminary results scheduled for next Wednesday, gave up a couple of pence at 96p.

Selected Television issues attracted support in the wake of HTV's excellent interim profits. Anglia A gained 8 to 131p and LWT A 6 to 148p. Scottish TV A, already 3 higher at 97p awaiting the preliminary results, held at that level following the announcement. HTV N/V, up 18 on Thursday on the more-than-doubled profits, shed 8 to 138p on profit-taking. Elsewhere in the Leisure sector, Pleasurama, a thin market, jumped 32 to 440p on talk of a broker's circular.

Federated Land jumped 14 to 146p in after-hours' dealings following the surprise bid from M. P. Kent, 3 cheaper at 66p. Estates and General Investments, up 16 on Monday on the proposed merger with Federated, shed 6 to 63p. *Elsewhere in the Property* sector, demand ahead of next Thursday's interim results lifted A. and J. Mucklow 4 for a three-day gain of 12 to 96p. The leaders passed a subdued session and closed with modest losses, Land Securities losing 5 to 303p and MEPC 4 to 224p.

Oils quiet

Business in Oils contracted and the leaders closed marginally easier. British Petroleum softened 2 to 278p; the preliminary results are due on Monday. Shell, up 12 on Thursday on the annual results, also closed 2 cheaper, at 348p. Elsewhere, Ultramar succumbed to late offerings and finished 7 off at 343p, while Lasmo lost 5 to 275p. Fresh selling clipped 5 more from Berkeley Exploration, 235p, and a like amount from Clyde Petroleum, 73p. Gas and Oil Acreage shed 15 to 335p following the annual results.

Generally firm conditions prevailed in Overseas Traders. New time buying lifted Tozer Kemsley and Millbourn 3 to 79p. William Jacks continued to attract support in the wake of the increased *preliminary* profits and added 2 more to 22p.

Quiet Mines

A gloomy week in mining markets ended with most issues losing further ground in quiet and featureless trading.

De Beers provided the week's major highlight as Tuesday's news of sharply lower earnings and a cut in the final dividend—the first reduction in De Beers' dividend since 1944—put the whole of the South African mining sector under severe pressure. De Beers were heavily sold and dipped to a 1981-82 low of 227p immediately *following* the results; yesterday, the shares moved narrowly and closed unaltered on balance at 237p. Anglo-American Corporation, which fell to a 1981-82 low of *445p on Wednesday*, touched 460p before ending the day unchanged at 455p.

Other South African Financials closed a fraction easier with Middle Wits 20 cheaper at a 1981-82 low of 440p. "Amgold" closed unaltered at £28½ despite the cut in the final dividend which accompanied the lower full-year profits.

London Financials showed Gold Fields 8 down at a 1981-82 low of 360p, reflecting further weakness in the bullion price; the latter dropped $6.75 more to $323.75—a week's loss of $19.50.

Golds were volatile, but price movements owed more to *technical factors* rather than the weight of selling pressure. The renewed weakness in the bullion price caused an initial mark-down but prices were sustained at the lower levels by the improvement in the Financial Rand.

Nevertheless, the Gold Mines index gave up 8.4 to 219.6 to result in a week's net loss of 6.7.

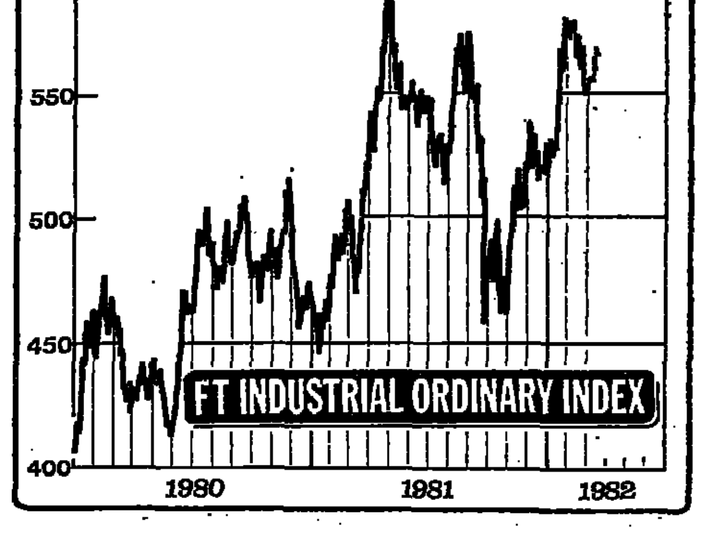
The March dividend declarations from the Gencor group gold mines were not known during market hours and therefore had no effect on sentiment.

Among the dividend declarers, Unisel dipped 8 to 339p ahead of the increased interim which was thought to be above most market expectations.

Heavyweights were featured by Vaal Reefs, which dropped £1½ to £22 and Hartebeest, ½ down at a 1981-82 low of £17½. Harmony fell 23 to 528p on further consideration of the reduced dividend announced on Wednesday.

Another steady peformance in overnight domestic markets left Australians showing minor changes either way. North Broken Hill recouped 3 to 110p after dropping 8 on Thursday in the wake of the placement of 15.5m shares to raise around *A$27m.*

A further contraction of demand saw contracts completed in Traded Options fall to 1,204—the lowest since February 17. Calls traded amounted to 931 of which ICI accounted for 207, with 132 taken out in the July 360s, and Imperial 262. British Petroleum recorded 75 calls and 92 puts awaiting next Monday's preliminary results. The week's daily average amounted to 1,671.



LEADERS AND LAGGARDS

Percentage changes since December 31, 1981, based on Thursday, March 11, 1982.

Tobaccos	+21.10	Food Manufacturing	+ 6.64
Other Consumer	+15.28	Other Industrial Materials	+ 5.18
Contracting, Coustruction	+14.84	Investment Trusts	+ 4.78
Chemicals	+14.66	Motors	+ 4.51
Stores	+13.12	500-Share Index	+ 4.22
Health and H'sehold Products	+11.59	*All-Share Index*	+ 3.51
Other Groups	+11.42	Capital Goods	+ 3.44
Building Materials	+11.31	Property	+ 3.41
Food Retailing	+11.14	Financial Group	+ 3.39
Consumer Group	+10.92	Insurance (Life)	+ 3.39
Textiles	+10.89	Engineering Contractors	+ 3.15
Packaging and Paper	+10.84	Mechanical Engineering	+ 0.36
Shipping and Transport	+10.18	Banks	+ 0.36
Insurance Broking	+ 9.57	Electricals	+ 0.21
Brewers and Distillers	+ 9.18	Metals and Metal Forming	− 0.64
Insurance (Composite)	+ 8.86	Discount Houses	− 3.14
Office Equipment	+ 8.44	Overseas Traders	− 4.12
Industrial Group	+ 8.10	Merchant Banks	− 6.28
Newspapers, Publishing	+ 7.44	Oils	−13.56
Leisure	+ 6.90	Mining Finance	−14.16
		Gold Mines Index	−25.85

FINANCIAL TIMES STOCK INDICES

	Mar. 12	Mar. 11	Mar. 10	Mar. 9	Mar. 8	Mar. 5	A year ago
Government Secs.	68.30	68.71	68.78	68.05	68.56	68.35	69.60
Fixed Interest	68.90	69.07	69.02	67.94	68.05	67.54	71.59
Industrial Ord.	566.9	567.9	559.5	560.8	564.1	560.7	477.3
Gold Mines	219.6	228.0	219.8	209.2	218.0	228.1	334.1
Ord. Div. Yield	5.64	5.61	5.64	5.61	5.57	5.61	7.02
Earnings, Yld.% (full)	10.26	10.24	10.38	10.33	10.27	10.34	14.81
P/E Ratio (net) (*)	12.55	12.57	12.40	12.46	12.54	12.46	8.18
Total bargains	25,706	23,029	22,032	25,548	27,059	24,604	20,277
Equity turnover £m.	—	145.99	169.05	140.14	150.57	176.48	170.59
Equity bargains	—	18,576	17,733	23,223	24,854	20,820	20,337

10 am 568.5. 11 am 565.9. Noon 565.0. 1 pm 565.6. 2 pm 566.9. 3 pm 566.7.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=11.30.

HIGHS AND LOWS

	1981/2 High	1981/2 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (29/5/81)	60.17 (28/10/81)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (28/5/81)	61.61 (30/10/81)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4/81)	446.0 (14/1/81)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/8/81)	209.2 (9/3/82)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 11	Mar. 10
Daily Gilt Edged Bargains	229.5	232.7
Equities Bargains	130.4	114.9
Value	294.1	361.7
5-day Average Gilt-Edged Bargains	240.3	238.9
Equities Bargains	158.4	159.8
Value	338.0	383.7

NEW HIGHS AND LOWS FOR 1981/2

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981-82.

NEW HIGHS (43)

[illegible]

NEW LOWS (34)

[illegible]

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	3	82	7	138	182	76
Corporations, Dom. and Foreign Bonds	3	16	55	38	48	[illegible]
Industrials	214	248	894	1,352	1,731	[illegible]
Financial and Props.	80	111	348	407	571	[illegible]
Oils	23	27	60	110	185	[illegible]
Plantations	2	4	18	14	18	[illegible]
Mines	26	55	76	211	276	[illegible]
Others	50	55	40	288	233	[illegible]
Totals	381	605	1,456	2,725	2,880	[illegible]

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Cadbury Schweppes	97	− 4	Pilkington	281	+ 3
Cons Gold Fields	360	− 8	Plessey	377	+ 7
Exco Int	216	− 4	Rowntree Mackintosh	168	+ 2
GKN	170	+ 7	Sotheby's	295	−22
Huntley and Palmer	112	+ 8	Standard Telephones	521	+31
Kode Int	253	−22	Stone-Platt	13	− 3

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in S.E. Official List.

Stock	No. of price changes	Thursday's closing pence	Day's change	Stock	No. of price changes	Thursday's closing pence	Day's change
De Beers Defd	30	237	+ 5	Barratt Dev	19	[illegible]	[illegible]
Shell Trans	26	350	+12	Cns Gold Fields	19	368	− 2
Tube Invests	25	138	+12	Exco Intl	19	220	+10
Beecham	22	235	+ 7	Mrks and Spen.	19	[illegible]	[illegible]
ICI	22	338	+ 4	Racal Elec	19	[illegible]	[illegible]
BP	21	280	+ 5	GEC	18	820	[illegible]
Rank Org	21	200	+ 6	NCC Energy	18	102	[illegible]

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thurs. closing price pence	Change on week	Stock	No. of price changes	Thurs. closing price pence	Change on week
De Beers Defd	103	237	−73	Beecham	97	235	[illegible]
GEC	126	820	[illegible]	RTZ	95	418	[illegible]
ICI	118	338	[illegible]	LASMO	90	280	−20
Shell	105	280	[illegible]	BTR	89	[illegible]	[illegible]
Cns Gld Fields	103	368	[illegible]	Driefontein	87	[illegible]	[illegible]
Barclays Bk	98	490	−15	Ultramar	87	350	[illegible]
B.H. Prop	89	450	−15	Thorn EMI	85	435	[illegible]

LONDON TRADED OPTIONS

Mar. 12 Total Contracts 1,204 Calls 1,161 Puts 273

[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

Fri March 12 1982 — Index No. / Day's Change % / Est. Earnings Yield % (Max.) / Gross Div. Yield % (ACT at 30%) / Est. P/E Ratio (Net); Thur March 11 Index No.; Wed March 10 Index No.; Tues March 9 Index No.; Mon March 8 Index No.; Year ago (approx.) Index No.; Highs and Lows Index: 1981/82 High, Low; Since Compilation High, Low

[illegible]

FIXED INTEREST

	PRICE INDICES	Fri March 12	Day's change %	Thur March 11	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	109.90	−0.19	110.11	—	2.65
2	5-15 years	[illegible]	−0.59	[illegible]	—	[illegible]
3	Over 15 years	114.32	−0.58	114.99	—	[illegible]
4	Irredeemables	122.13	−0.79	123.10	—	1.62
5	All Stocks	111.16	−0.47	111.84	—	2.41
6	Debentures & Loans	88.36	+0.11	88.27	—	[illegible]
7	Preference	64.38	+0.22	64.24	—	1.91

AVERAGE GROSS REDEMPTION YIELDS — Fri March 12; Thur March 11; Year ago (approx.); 1981/82 Highs, Lows

[illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

NAME CHANGES: BOC International to BOC Group; BPC to British Printing and Comm. Corp.; Initial Services to Initial and Westland Aircraft to Westland.

RECENT ISSUES

EQUITIES

Issue price p / Amount paid up / Latest Renunc. Date / 1981/2 High, Low / Stock / Closing price p / + or − / Div. or amount / Times covered / Gross yield / P.E. ratio

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1981/2 High	1981/2 Low	Stock	Closing price p	+ or −
25	F.P.	26/2 19/3	41	35	Smith St. Aubyn	40	......
45	F.P.	— —	46	38	Steaua Romana (Brit.)	38	......
10	Nil	— —	2½pm	1pm	Sturla 10p	1½pm	......

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. ● Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. |||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. * With warrants. †† Dealings under special Rule. * Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under Rule 163(2)(a). ‡‡ Unit comprising five ordinary and three Cap. Shares.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar 8	Mar 19	June 17	June 28
Mar 22	April 2	July 1	July 12
Apr 5	Apr 26	July 15	July 26

For rate indications see end of Share Information Service

Activity in Options improved sharply and calls were struck in Bats, Celtic Haven, Trident TV A, Transparent Paper, Hawtin, Rock Darham, Stone-Platt, Woodside, Charterhall, Chloride, KCA International, Barratt Developments, London Brick, Johnson and Firth Brown, Unigate, Huntley and Palmer, Whittington Estates, Marievale, Elsburg and Berkeley Exploration. Puts were done in British Sugar, Chloride, Laganvale Estates and Celtic Haven, while doubles were arranged in First National Finance, Courtaulds, Woodside, Premier Oil and Howard Machinery.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

American Growth	55.8	60.0	+0.4	2.42
Capital	39.1	42.3	−0.1	4.02
(Accum. Units)	50.6	54.7	.....	4.02
General	61.5	66.6	+0.1	4.61
Gilt & Fixed Int.	102.9	108.3	−0.6	12.09
Income	40.1	43.3	+0.1	8.64
Worldwide Bond	108.3	114.6	−0.1	4.80
Inv. Tst. Fd.	52.8	57.1	.....	4.20
Equitas Prog.	84.6	91.5	−0.1	4.47

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	93.2	98.0	+0.4	12.39

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex

Choularton Fund Managers(g)
57-63, Princess St., Manchester. 061-236 5685

Growth	14.2	15.3	+0.1	4.00
International	49.8	53.8	−0.1	1.26
High Income	29.4	31.7	−0.2	11.05

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	78.0	82.1	.....	4.50

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	36.9	40.3	+0.1	10.97
North American	54.6	59.0	−0.4	2.84
Canadian Exempt*	51.7	54.7	.....	3.57
Canadian Trust	45.1	48.8	+0.3	2.82
Mid Mount High Inc.*	46.5	49.2	.....	9.75
Recovery	56.5	61.7	−0.5	3.57
Gilt Trust	39.5	41.3	−0.2	13.72

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3. 031-226 3492

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)
Registrar's Dept., Goring-by-Sea, Worthing, West Sussex. 01-623 1288

Balanced	78.7	84.6	.....	4.60
Do. (Accum.)	123.5	132.7	.....	4.60
Energy Int.	36.0	38.7	+0.2	2.77
Do. (Accum.)	37.0	39.7	+0.2	2.77
Extra Income	65.8	70.7	+0.1	8.42
Do. (Accum.)	93.7	100.7	+0.2	8.42
Income	102.7	110.4	+0.6	6.75
Do. (Accum.)	169.1	181.8	+0.8	6.75
Int. Technology	73.0	78.4	−0.4	0.58
Do. (Accum.)	74.3	79.8	−0.4	0.58
N. American & Gen.	43.9	47.1	−0.1	1.59
Do. (Accum.)	45.1	48.4	−0.1	1.59
Pacific Basin	45.3	48.7	−0.3	0.16

American (z)	23.8	25.9	+0.1	.....
Australian (z)	17.3	18.8	+0.1	1.32
Far Eastern Tst. (z)	36.0	34.1	+0.1	1.35
High Income	36.8	39.9	+0.1	10.91
Intl. Trust (z)	39.3	42.6	+0.3	1.72
Basic Resources Tst.	35.0	38.0	−0.1	2.76
Incm. Growth Tst.	25.3	27.4	+0.1	8.08
Pref. & Gilt Tst.	18.7	20.2	.....	15.45
Smaller Co's Trust	29.6	32.1	−0.1	3.33

INSURANCE BONDS

NOTES

Prices are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

Stock	Price £	+ or —	Int.	Red.
Agric. Mt. 5pc '59-89	65	......	7.78	12.66
Met. Wtr. 3pc 'B'	28¼xd	......	10.43	12.79
U.S.M.C. 9pc 1982	107	......	8.63	—
Do. without Warnts.	99½	......	9.30	—

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
ANZ SA1	[illegible]	+5	Q28c	3.3	[illegible]
Alexanders D. £1	225	......	18.5	—	[illegible]
Algemene Fl.100	£57½	......	Q26%	ф	[illegible]
Allied Irish	86	−2	Q43.9%	5.5	[illegible]
Ansbacher (H.) 5p.	17	......	§0.35	—	[illegible]
Bk. Ireland £1	220	−5	Q28.9%	—	[illegible]
Bk. Leumi $0.1	5	......	Q12½%	—	[illegible]
Bk. Leumi (UK) £1	220	......	10.15	—	[illegible]
Bk. N.S.W. $A1	156	+3	Q24c	2.9	[illegible]
Bank Scotland £1	440	−3	†17.5	5.7	[illegible]
Barclays £1	485	+5	§22.0	φ5.3	[illegible]
Brown Shipley £1	235	−5	86.5	—	[illegible]
Cater Allen £1	325	......	23.1	—	[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

[illegible]

Australian

[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- ☆ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.
- ◊◊ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	40	......	Conv. 9% '80/82	£95½	......
Bertrams	17#	......	Nat. 9¾% 84/89	£85¾	......
Bdg'wtr. Est. 50p	420	......	Fin. 13% 97/02	[illegible]	+¼
Craig & Rose £1	£12¾	......	Alliance Gas	55	......
Finlay Pkg. 5p	25	......	Arnott	228	-5
Graig Ship. £1	£21	......	Carroll (P.J.)	72	......
Higsons Brew	67	......	Concrete Prods.	90	......
Holt (Jos) 25p	565	......	Heiton (Hldgs.)	22	......
I.O.M. Stm. £1	120	......	Irish Ropes	37	......
Pearce (C. H.)	£11	......	Jacob	73	+3
Peel Hldgs.	119	+2½	T.M.G.	10r	......
Sheff. Refrsmnt	80	......	Unidare	53	......
Sindall (Wm.)	200	......			

OPTIONS

3-month Call Rates

Industrials					
		House of Fraser	15	Utd. Drapery	7
Allied-Lyons	8	I.C.I.	24	Vickers	16
BOC Intl.	15	"Imps"	8	Woolworths	5
B.S.R.	8½	I.C.L.	5½		
Babcock	10	Ladbroke	15	**Property**	
Barclays Bank	42	Legal & Gen.	19	Brit. Land	7½
Beecham	21	Lex Service	10	Cap. Counties	10
Blue Circle	48	Lloyds Bank	42	Land Secs.	28
Boots	19	"Lofs"	6½	MEPC	20
Bowaters	24	London Brick	7	Peachey	14
Brit. Aerospace	17	Lucas Inds.	20	Samuel Props.	12
B.A.T.	38	"Mams"	12	Town & City	3½
Brown (J.)	7	Mrks. & Spncr	12		
Burton Ord.	15	Midland Bank	30	**Oils**	
Cadburys	9	N.E.I.	9	Brit. Petroleum	26
Courtaulds	8	Nat. West. Bank	38	Burmah Oil	10
Debenhams	7	P & O Dfd.	14	Charterhall	6
Distillers	15	Plessey	32	KCA	14
Dunlop	6½	Racal Elect.	35	Premier	6
Eagle Star	31	R.H.M.	6½	Shell	30
F.N.F.C.	4	Rank Org. Ord.	20	Tricentrol	22
Gen. Accident	28	Reed Intnl.	26	Ultramar	38
Gen. Electric	65	Sears	6		
Glaxo	42	Tesco	5½	**Mines**	
Grand Met.	17	Thorn EMI	42		
G.U.S. 'A'	45	Trust Houses	11	Charter Cons.	25
Guardian	25	Tube Invest.	13	Cons. Gold	45
G.K.N.	15	Turner & Newall	11	Lonrho	7
Hawker Sidd.	30	Unilever	55	Rio T. Zinc	42

A selection of Options traded is given on the London Stock Exchange Report page

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FINANCIAL TIMES

Saturday March 13 1982

MAN IN THE NEWS

Not quite a true Tory

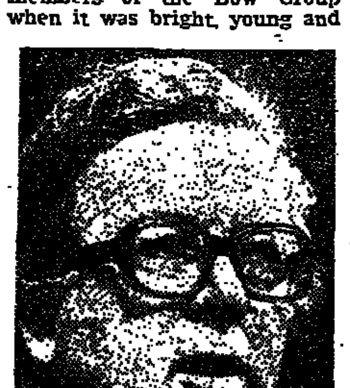
BY MALCOLM RUTHERFORD

IT IS IRONIC that Sir Geoffrey Howe scored a Parliamentary triumph with his Budget speech this week while, the next day, his friend and protégé, Mr Leon Brittan, the Chief Secretary to the Treasury, came a Parliamentary cropper in defending the Budget strategy. Sir Geoffrey is not used to such acclaim, or Mr Brittan to such nemesis.

The Chancellor is a hard man to place politically. Asked which adjective might best be applied to him, one of his colleagues said "lonely."

At first, that seems a misnomer. Sir Geoffrey is almost inseparable from his wife Elspeth; whenever he speaks in the House of Commons, Lady Howe is in the gallery, willing him on. Few other Ministers receive such open support from their spouse. Yet perhaps that is why "lonely" is right.

The Howes were early members of the Bow Group when it was bright, young and



Sir Geoffrey Howe
Change can oly come by chipping away at the cumulative obstacles to economic growth.

radical and not—as now—prematurely middle-aged. But it is hard to see with which group of the Tory Party they would identify themselves now, or which with them.

Sir Geoffrey has always said that one of the tasks of the Party was to win over sufficient of the readers of *The Guardian* and *The Observer* those were the papers that mattered in influencing opinion. It is doubtful whether he is doing that now, though he might.

A few weeks ago he went to give a talk in Cambridge. He thought that he might deliver his general views on society and politics. Then he reflected that he was Chancellor, that it was shortly before the Budget and he would be expected to speak on the economy. So he did.

That is a pity, for his wider views would have been worth hearing. On education, for example, he says that he rather agrees with Mrs Shirley Williams, who—among other reforms—wants to abolish private schools.

The problem is that he gets bogged down in details. One of the proposals that he is most proud of in the Budget was to get round the 714 certificates in the construction industry to enable more school-leavers to get jobs as sub-contractors. It is a liberal, job-creating idea, but you had to know something about it to guess it from the speech.

There were two related themes in the Budget, bursting to get out. One concerned the trades unions and the other the nationalised industries. Sir Geoffrey describes them as the twin albatrosses of the British economy, though he is much kinder about the former than the latter — if they can be separated.

He would like to work with the unions. Some sort of "concerted action" between government, unions and employers on the *German model was originally* his idea, then squashed by Mrs Thatcher. He would also like to put more public money into high technology in a way that does not fit his image as the scourge of public expenditure. He is rather proud of being Welsh.

In short, the general view of The Chancellor as a lawyer now applying a rigid mind to the economy is wrong. But it is partly his own fault for not saying more of what he thinks. He thinks that the country is terribly conservative and needs to be changed, but he believes that you can only do it by chipping away at the cumulative obstacles to economic growth.

This week, uncharacteristically, he allowed himself one modest complaint. He was irritated that the press had noted the odd joke in the Budget speech as something new. He says that he makes jokes all the time, which he does. Somewhere in the Chancellor there is a suppressed Social-Democrat.

Japan reports negative growth

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

THE JAPANESE economy recorded its first negative growth for nearly seven years in the last quarter of 1981 as a result of declining exports. The Government announced [illegible]

The quarterly gross National product figures show a 0.9 per cent decline from the third quarter, the first such fall since the January-March quarter of 1975.

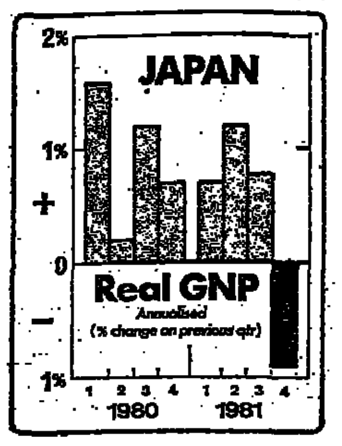
The overall negative growth of the economy masked a moderate recovery in domestic demand, which was up 0.4 per cent in terms of its contribution to total GNP, and a fairly steep 1.3 per cent decline in the contribution of the external sector.

This reversed the July-September trend when domestic demand shrank and the economy relied entirely on exports and imports to achieve a 0.8 per cent rate of growth.

Officials at the Economic Planning Agency said that figures for the first quarter of [illegible] the final quarter of [illegible]'s 1981 fiscal year, would [illegible] turn out slightly better than the last 1981 figures.

Exports are expected to do marginally better in the current quarter and the domestic economy should continue its very gradual recovery. However, it is now certain that the economy has fallen far short of the growth targets originally set for it.

An impossible 6.6 per cent rate of growth would have to be achieved in the January-March quarter for the GNP to grow at the officially forecast rate of 4.1 per cent in the fiscal year as a whole. A growth rate of 3 per cent or less now appears likely.



The sharp scaling down of growth expectations has already led the Government to start reconsidering its deflationary stance towards the economy but it seems unlikely that any specific measures will be taken to boost demand before the beginning of April.

The most likely form of Government action appears to be a decision on the "forward-loading" of already budgeted public works expenditure during the first half of the new fiscal year.

A breakdown of the fourth quarter GNP figures shows that exports declined in real terms by 4.5 per cent from the previous quarter while imports picked up by 2.6 per cent. Domestic consumption grew by a modest 0.5 per cent and private investment was up 1.4 per cent. The most striking feature of the domestic economy's performance during the quarter was a 91 per cent increase in private inventory investment.

Terms agreed for Evans to quit

BY IVO DAWNAY, LABOUR STAFF

MR RUPERT MURDOCH, Times Newspapers' proprietor, announced last night that he has reached agreement with Mr Harold Evans on the terms of his resignation from the editorship of the Times.

Mr Murdoch also confirmed that the new editor of the paper will be Mr Charles Douglas-Home, the present deputy editor, and that this decision had been unanimously approved by the six national directors of the paper.

In a statement released in New York, Mr Murdoch said: "Mr Evans agreed to give his resignation but has been negotiating the terms of his departure. These have now been agreed.

"At no point has there been any difference, stated or otherwise, between Mr Evans and myself about the policy of the paper."

Mr Evans said earlier in the day, that Mr Rupert Murdoch, the newspaper's proprietor, had asked for his resignation, but he added: "One is reminded of Mark Twain—rumours of my death have been greatly exaggerated."

Ostensibly, it was business as usual with both the editor and his deputy attending the midday editorial conference to discuss the contents of today's paper.

But during the day there was considerable confusion over who would be in charge of editing the issue. One journalist said: "Sometimes we seem to have one editor, sometimes two and sometimes none at all."

Last night, Mr Douglas-Home said that Mr Evans remained editor until such time as he chose to resign. He was also quick to reject a claim by Mr Anthony Holden, the features editor and a close friend of Mr Evans, that Mr Murdoch's request for his resignation was based on political differences between the two men.

Mr Mr Douglas-Home said: "There is no question of the dispute between Mr Evans and the authorities being a matter of politics. The discussions have been entirely about the terms of his departure."

A close associate of Mr Murdoch's said in New York yesterday, however, that the proprietor believed that the paper would greatly improve its circulation if it took a firm editorial line in support of President Ronald Reagan and his monetarist economic policy and the views of Mr Caspar Weinberger, the U.S. Defence Secretary.

He *said*: "*It is not a question of disagreeing with the political* policy of The Times, but Mr Murdoch believes the editorial position is so understated that there is nothing to sell the newspaper."

The independent national directors, who are empowered to veto the dismissal or appointmentof editors at The Times and The Sunday Times, remained unavailable for comment on the position yesterday.

Habitat in Japanese joint venture

BY LISA WOOD

HABITAT, the home furnishing and design group, is to form a joint venture with a major Japanese retailer to sell its furniture and other products in Japan.

The Japanese partner is Seibu Department Stores, part of the Seibu Group which is one of the biggest retailing organisations in Japan with sales of more than £4bn in 1980-81.

The joint venture, Habitat Japan, is the first expansion unveiled by Habitat since it completed its £117m take-over of Mothercare in January. Feasibility studies have been taking place with Seibu for more than a year.

Habitat already has operations in the U.S., France and Belgium, and through its French subsidiary, has a similar joint selling venture in Martinique.

Habitat Japan, which will be formed this month, will be capitalised at Y100m (£230,900). The British company will take a token holding with an option to increase its equity stake. Mr Shaun Doran, Habitat's company secretary, said yesterday: "We felt this was a gesture of our involvement in a joint venture rather than a royalty licence agreement."

The products, marketed under Habitat's name, will be manufactured in Japan to English designs but scaled down slightly to fit into the typical Japanese home.

Mr Doran said: "Seibu is very keen to get European influence into its organisation. It believes that in the 1980s there will be very strong European influences on consumer tastes." Seibu has a considerable number of overseas brand tie-ups. Liberty, the UK fashion and fabrics retailer, last year agreed a similar joint venture.

Seibu said yesterday that the joint venture would open one or two stores in Tokyo this year in addition to "many shops within stores operated by Seibu group companies."

Continued from Page 1

Budget poll

Nine per cent said that they were happy with things as they are.

The directors were finally asked how they would vote if there were to be a referendum tomorrow purely on economic policies. Here the Government can take some comfort.

Almost 80 per cent said that they would vote for the economic policy of the Conservative Party, though 9 per cent preferred the Social Democratic-Liberal Alliance.

Perhaps not surprisingly in this context, support for the economic policy of the Labour Party was statistically negligible.

The poll was conducted by telephone on Wednesday and Thursday this week and covered 500 senior directors whose companies were taken, on a quota basis, from the Dun and Bradstreet Market file of commerical establishments with a turnover of over £5m.

Canadian bank buys Tennant

BY WILLIAM HALL, BANKING CORRESPONDENT

ROYAL BANK of Canada, the fourth largest bank in North America, has bought Tennant Guaranty, one of Britain's biggest export finance houses.

Tennant, previously owned by Consolidated Gold Fields, has overseas offices in Paris, New York, Sao Paulo, Cairo, Singapore and Brussels. Its acquisition will give the bank, which estimates that international trade is growing more than twice as fast as the underlying economies despite the recession, an important foothold in one of the fastest growing areas of specialised trade finance.

Royal Bank of Canada is understood to have paid over £1m for Tennant, which has net assets of £1.05m and earned pre-tax profits of £851,000 in the year ending June 1981.

Tennant employs 90 people and financed shipments of some £90m last year. The company followed many of its customers overseas and now plays an important role in financing the exports of countries such as Brazil.

As trade transactions become more complicated, Tennant has specialised in areas such as prompt non-recourse payment on shipment of goods, advice on import and payment regulations and relief from credit insurance and related banking obligations.

Most of the UK's major export finance houses are now owned by banks which provide financial backing to complement the specialist skills of the export house.

Tennant is currently owed over £100m, most of which it borrowed from its parent, Consolidated Gold Fields. The sale means Consolidated will be able to increase its borrowing limits by between £50m and £60m.

Over the last few years, Royal Bank of Canada has steadily increased its investment in the UK. It has acquired Western Trust and Savings, a Plymouth consumer finance firm, and more recently Orion Bank, one of London's biggest consortium banks, now the flagship of the banks international merchant banking operations.

Mortgage rate cut

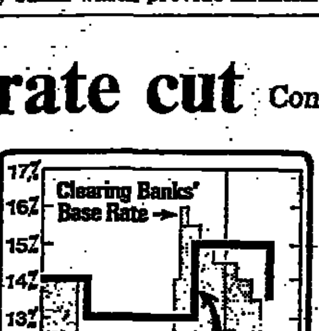
Continued from Page 1

Industrial Ordinary share index down 1.0 at 566.9.

Despite some suggestions that building societies were split over the scale of interest rate reductions, yesterday's decision by the association's council was unanimous.

Although the societies were forced to make their interest rate decisions before the banks declared their hand, they were helped by this week's news that competition in the savings market should ease over the next year.

The Government has said it intends to raise £3bn via National Savings in 1982-83, *against £3.5bn in the current* financial year. With a little less than a month to go, however, National Savings have already raised £3.7bn and the societies are hoping that next year's target is not similarly exceeded.



Since the start of 1982, the societies have been having much greater success in attracting investment funds. They confirmed yesterday that net receipts in February reached £347m, only £9m down on January. Last November receipts reached a five-year low of £65m.

There are *clear signs* that activity in the housing market is now rising again and societies' new mortgage commitments rose from the very low January figure of £685m to just over £1bn.

The building societies, together with house builders, expect the cut in mortgage rates *to help the private housing* market's revival, although they do not foresee house prices exceeding the rate of inflation during 1982.

Vauxhall Motors

Continued from Page 1

Nearly half the Cavaliers are being imported from the Opel plant in Belgium, the rest being assembled at Luton. Vauxhall will receive another boost from low-cost Continental cars next year when the "S" car reaches Britain. This is General Motor's first in the Fiesta-Metro part of the market and will be built in Spain.

Vauxhall estimates this vehicle will add a net 3 per cent to its UK market-share. The company is aiming for 16 per cent of new-car sales in Britain.

The Bedford commercial vehicle subsidiary's market-share slipped slightly to 14.9 per cent last year. Exports were nearly halved at 24,000, mainly because of the strength of the pound.

The indications are that Vauxhall's car business is back in the black but the commercial vehicle side is still losing money.

Weather

UK TODAY

SHOWERS, wintry in north.

London, S.E., Midlands, E. and S.W. England, S. Wales,
Scattered showers and bright intervals. Max 10C (50F).

N.E. England, E. Scotland
Sunny *periods and showers* with rain or sleet later. Max 7C (45F).

Rest of Scotland, N.W. England, Lake District, N. Wales
Rain or snow with bright intervals. Max 7C (45F).

Outlook: Sunny periods and showers, wintry in north.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	16	59	L. Ang.†	F	13	55
Algiers	S	19	66	Luxmbg.	C	5	41
Amsdm.	R	6	43	Luxor	S	24	75
Athens	F	13	55	Madrid	S	15	59
Bahrain		—	—	Majorca	S	16	61
Barclna.	S	15	59	Malaga	S	20	68
Beirut	S	15	59	Malta	S	16	61
Belfast	C	4	39	M'chstr.	R	5	41
Belgrd.	C	6	43	Melbne.		—	—
Berlin	C	7	45	Mx. C.†		—	—
Biarritz	S	14	57	Miami†		—	—
Bmghm.	F	8	46	Milan	S	11	52
Blackpl.	S	5	41	Montrl.†	C	3	37
Bordx.		—	—	Moscow	C	−4	25
Boulgn.	F	8	46	Munich	C	6	43
Bristol	F	8	46	Nairobi		—	—
Brussels.	R	6	43	Naples	S	13	55
Budpst.	S	8	46	Nassau		—	—
Cairo	S	21	70	Nwcstl.	S	5	41
Cardiff	F	7	45	N York†		—	—
Cas'b'ca	S	22	72	Nice	S	15	59
Cape T.	S	20	68	Nicosia	R	12	54
Chicg.†	C	2	36	Oporto	F	15	59
Cologne	C	6	43	Oslo	S	5	41
Conhgn.	F	4	39	Paris	R	8	46
Corfu	F	14	57	Perth	S	29	84
Denver†	C	12	54	Prague		—	—
Dublin	C	5	41	Reykjvk.	C	−1	30
Dbrvnk.	S	10	50	Rhodes	C	16	61
Ednbgh.	S	5	41	Rio J'o†		—	—
Faro	S	21	70	Rome	S	15	59
Florence	S	15	59	Salzbrg.	C	7	45
Frankft.	C	6	43	S F'sisc†		—	—
Funchal	C	17	63	S. Moritz		—	—
Geneva	F	6	43	Singapr.	F	31	88
Gibraltar	S	19	66	S'tiago†		—	—
Glasgow	F	4	39	Stckhm.	C	2	36
G'rnsey	F	8	46	Strasbg.	C	5	41
Helsinki	Sn	−3	27	Sydney		—	—
H. Kong	F	22	72	Tangier	S	21	70
Innsbrk.	C	5	41	Tel Aviv	S	15	59
Invrnss.	C	2	36	Tenerife	S	20	68
I.o.Man	Sn	1	34	Tokyo	C	15	59
Istanbul	C	9	48	T'ronto†	C	1	34
Jersey	F	8	46	Tunis	F	17	63
Jo'burg	S	25	77	Valencia	S	19	48
L. Plms.	S	20	68	Venice	S	11	52
Lisbon	S	16	61	Vienna	F	7	45
Locarno	C	9	48	Warsaw	C	3	37
London	R	9	48	Zurich	C	5	41

C—Cloudy. F—Fair. R—Rain, S—Sunny. Sn—Snow.
† Noon GMT temperatures.

THE LEX COLUMN

Aunt Agatha and the actuaries

Next Friday private investors have the chance to pit their wits against the actuaries. The Bank of England is holding its first tender of an index-linked gilt-edged stock open to all-comers—an instrument which, at the right price, provides guaranteed protection of capital for the next six years.

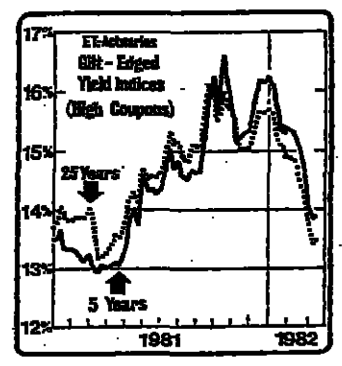
It all sounds too good to be true—which is an excellent reason to be cautious. The Bank is publishing no minimum tender price as a guide, but the three existing longer-dated indexed stocks yielded just over 2¼ per cent real at last night's close. If this level holds next week, a striking price of slightly below par is indicated for the 2 per cent index-linked 1988 stock. A tender at par *ought to secure stock at the* striking price.

It may well be wrong to bid up too enthusiastically. The Treasury has not conceded indexation for all just in order to raise a miserable £750m. There will be more of these stocks—probably plenty more —and they will not carry a scarcity premium for very long. At a real return of roughly 2 per cent the pension funds turn up their noses, and taxed investors cannot absorb an unlimited amount of new stock. If the new issues keep rolling out, the return may eventually start drifting back up towards the 3 per cent level at which the pension funds have so far been buyers.

These new stocks are not just glorified Granny Bonds without the £5,000 limit. They do offer a guaranteed real return—but only if held to redemption. If they are sold in the market, the return will depend on the real yield ruling on the day of sale. The 1966 stock, sold at par a year ago, has been as low as 90¼ in the meantime. The volatility can be considerable—although the short-dated 1988 stock will be the least volatile of the four outstanding issues.

There is now a clear choice in the bond market between an assured nominal return (on a conventional stock) and an assured real return through index-linking. Stockbrokers Wood *Mackenzie have* calculated that a 60 per cent taxpayer who is confident that inflation will average less than 9 per cent over the next five to six years would be better off buying the conventional 3 per cent 1987 stock in the market than tendering at par for the indexed 2 per cent 1988. But the 3 per cent 1987 is by far the riskier investment.

Index fell 1.0 to 566.9



The indexed gilt should really be measured against equities or property, on which the dividend or rent should rise more or less in line with inflation. Thus a 2¼ per cent risk-free real return is more comparable with 5¼ per cent on the All-Share Index. And, while an individual's indexed capital "profits" are tax free, the 2 per cent coupon is not. The net real return falls to 0.7 per cent for a 60 per cent taxpayer buying the new stock at par—a guaranteed not-very-much per annum. The attraction all lies in the capital protection.

STC

After a decline at the halfway stage, STC has pulled a 48 *per cent rise in pre-tax profits* out of the hat in the second six months to produce £50.6m for the year, against £44.1m. Even more heartening for the share price has been a 35 per cent boost to the dividend and yesterday the shares, which started off the week at 455p, put on a further 31p to 521p, where the yield is 3¼ per cent.

In fact, the profit figures have been heavily distorted by a £15m boost through late favourable settlements of contract prices, of which about £13m has materialised in the second six months. With interest charges falling, it looks as if the underlying trading performance has remained more or less flat through the year.

The main problem area has been electronic component manufacture and distribution, where profits have tumbled from £12m to £2m in 1981. Cutbacks here, as well as the developing pick-up in demand, should ensure some recovery in the current year. Business with British Telecom has been flat and there is likely to be only a modest improvement.

Abroad the picture is much happier, with strong growth in submarine cable and more to come in the current year. Meanwhile the company has taken the opportunity of writing off the current year's expected redundancy costs of £8.2m in the second half of 1981, so it looks as if the pre-tax outcome is set to top £60m.

The company's high rating would be vulnerable if it depended solely on the solid growth prospects in telecommunications and the narrow market for the shares. But longer term the company expects submarine cable to grab back large chunks of market share from satellites as fibre optics take over. And STC has a dominant position in submarine cable as well as a technological lead in fibre optics.

Huntley & Palmer

Documents are not everything in the takeover game. On paper, Huntley and Palmer's defence to the Rowntree Mackintosh bid was most unimpressive, but its advisers now seem to have come close to finding a white *knight to enter the bidding*—an achievement which has eluded many companies in recent takeovers. The potential rescuer is Nabisco Brands, which has plenty of cash (in dollars, while sterling is falling) and a major British savoury snack business to marry with Huntley.

Nabisco's Walkers and Planters brands, together with Huntley's Smiths, add up to more than 40 per cent of their respective UK markets — a similar share to that which Rowntree and Huntley would enjoy in cereal-centred chocolate countlines such as Club and Kit Kat. If Nabisco does make an offer, the Office of Fair Trading might find it impossible to turn a blind eye to both bids.

A Monopolies reference would give Huntley a breathing space to trade on into 1982, a year that it "views confidently," and prove that its prospective p/e ratio is something a good deal less than the 27 times fully-taxed 1981 earnings on which the shares now stand.

But things are very tough for Huntley at present in both snacks and chocolate countlines, and its ability to extract a higher value for its shareholders from one bidder or the other rests on the argument that a large premium should be paid to reflect the goodwill of its branded trade marks. That approach was tried by both Spillers and Robertson Foods—unsuccessfully in both cases.